

# Financial sustainability of Community Supported Agriculture and other Solidarity-based Food Systems in Europe

Guide for trainers of the Solid Base training programme



Solid Base - Financial Sustainability Education for Solidarity-Based  
Food Systems'

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## INTRODUCTION

Solidarity-based Food Systems (SFS), notably Community Supported Agriculture (CSA), are manifestations of solidarity economy, provide education and usually practice an agroecological approach to farming. Despite the noticeable benefits that these solidarity economies bring to communities, poor planning or management can result in stressful situations such as: the overworking of farmers, financial strains, and even the collapse of initiatives. The project SOLID BASE (2017-2019) aims to scrutinise the topic in order to provide viable SFS/CSAs through *"skills that could contribute to a real chance for breaking out from the continuous financial instability they are facing, and from the 'living on the edge' experience only nuances away from poverty"* (application Solid Base 2017). The problem of financial sustainability and phenomena such as overworking are of course not limited to SFS/CSA initiatives only - they are common features affecting contemporary agriculture. However, SFS/CSA intend to become an alternative economic model whose main purpose is to generate less pressure for the farmer and the environment. In this report, as in the project, we address several forms of SFS in Europe, but mainly focus on CSA initiatives.

Currently, there is a research gap concerning the financial sustainability and management of CSA initiatives worldwide. It is not a coincidence that research and training were two of the most demanded elements deliberated in 2016 at the third European CSA Meeting in Ostrava. That is why this guide was written: to address the issue and advance SFS/CSA initiatives by generating knowledge and providing support. This report aims to give trainers relevant background information about the different dimensions of financial sustainability, identify best practices and provide a foundation for the Solid Base training module. It will be a resource for trainers, staff members and experts, offering clear guidelines to help learners launch financially sustainable initiatives.

However, it must be clearly stated that this guide is unable to answer all questions in detail. Indeed, the topic of financial sustainability has many aspects - from bookkeeping tools to organisational communication and crop planning. Furthermore, the situation in Europe for CSA initiatives is diverse. This is true as far as legal requirements are concerned, but it should also be stressed that CSAs are operating in heterogeneous socio-economic circumstances.

The timing is right for this report, as we are currently witnessing the following dynamics for CSA in Europe:

- CSA and, more largely speaking SFS, are still surging. Many new initiatives have started in the past 5 years;
- We can observe that there have been recurring problems for CSAs. For some this is only a phase, especially at the beginning, others are struggling continually and some even have had to close down;
- The CSA movement is maturing with increased levels of exchange and networking; there are also quite some pioneers that have considerable know-how in this area with 10 or more years of experience;
- Increasingly, there is institutional recognition of SFS models, and a stronger interest from policy-makers and researchers.

To address the topic of financial sustainability in a way that considers the stakeholders' needs, the participatory development of a questionnaire was organized. This included

active contributions from farmers, consumers and CSA group coordinators. Research included a literature review, a detailed online questionnaire addressing CSAs all across Europe (with 116 respondents) and additional qualitative interviews with CSA (or SFS) farmers/consumers across Europe. Furthermore, a separate online survey (with 387 participants) was conducted to gain insights from the consumer perspective. The European CSA research group, composed of representatives from most European countries, was part of all the research.

The structure of this report follows this logic:

Firstly, in the introduction, the **aims of the Solid Base project** are listed and the need for such a project is outlined.

In chapter one we define **the concept of SFS and CSA as well as financial sustainability** and outline the **state of research**.

Chapter two will present the **methodology** of our research and will outline the **main findings** of our surveys.

Chapter three analyses **the challenges for SFSs** regarding financial sustainability. The chapter will also list which kinds of tools and methods could be used to overcome these obstacles. While doing this, the guide will present best practices from Europe.

Chapter four is about the **learning methodology for trainers** addressing the needs of farmers/coordinators/consumers.

## CHAPTER 1 - DEFINITION OF SFS AND THE STATE OF RESEARCH

In this chapter we briefly explain the main terms and provide a clear understanding of the situation of SFS/CSA in Europe. As outlined before, CSA is the focus of this research. We also look at the state of the research regarding financial sustainability.

### 1.1 Definitions

**The definition of Solidarity-based Food System (SFS)** (SOLD BASE 2017):

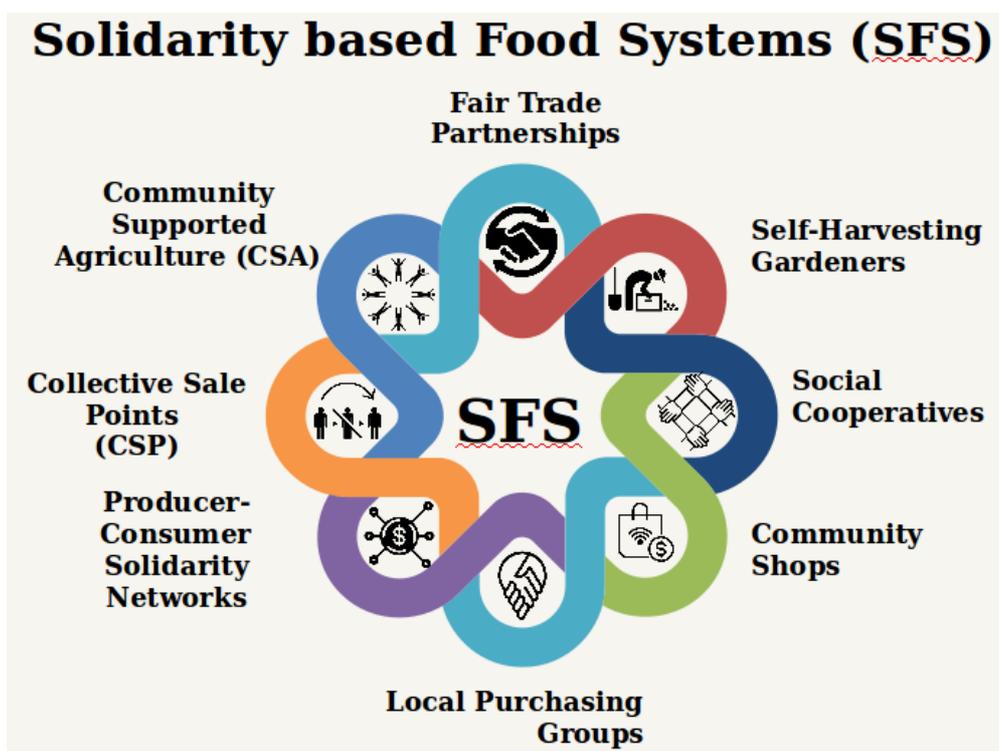
SFSs are forms of short food supply chains which are based on solidarity economy (SE). Solidarity-based economic units rest upon a model of democratic decision-making and a participatory management system, which aims at ensuring collective responsibility for the outcomes. SFSs often produce organically, or at least in a climate-friendly way. They provide nutritious food with less ecological impact and higher social benefits.

**The definition of Community Supported Agriculture (CSA)** (European CSA Research Group 2015): "*CSA is a direct partnership between a group of consumers and producer(s) whereby the risks, responsibilities and rewards of farming activities are shared through long-term agreements. Generally operating on a small and local scale, CSA aims at providing quality food produced in an agroecological way.*"

### SFS and CSA

"Solidarity based food systems" was chosen as the umbrella term to take into account various forms of organisation, distinct from CSA but nonetheless sharing a similar approach to sustainability, fairness and solidarity. This refers to: buyer groups, food coops and enterprises that foster direct farmer-consumer relations; social cooperatives; and others. The food assemblies are not considered a SFS model, as they are largely seen as business-driven approaches that have aroused controversy with the role they play as intermediary.

The illustration below shows the various forms of SFSs. The list could be continued, as it is exemplary and not complete, e.g. there are different names for similar actions (context).



**The definition of financial sustainability** (Solid Base project 2018):

The financial sustainability of CSAs refers to *"the ability of the farmer (or farmers) and the CSA community to maintain both the farm(s) and the CSA initiative in the long-term. In order to achieve this long-term resilience, the farm should not depend on specific external grants or donations, and should not transfer debts either to the next generation of farmers, or to the community"*.

Sustainable livelihoods of farmers are at the core of CSA, and also uphold food justice, in which farmers and labourers are justly compensated for their work, their stewardship, and their knowledge, and in which consumers have access to a diversity of culturally, geographically, and nutritionally appropriate food. Finally, sustainable livelihoods of farmers contribute to food sovereignty, in which consumers and producers are empowered to co-design and co-determine the shape of their food system in an on-going democratic process<sup>1</sup>. Concretely speaking, this means the following to SFS/CSAs:

- Their income covers the costs of sustainable production;
- Their income covers decent wages for the farmer and employees without overtime and allows for fair working conditions for all;
- Their economic model allows for the application of farming methods that assure environmental sustainability and respect nature;
- Their income allows for the payment of all due social contributions (eg. taxes);
- Their income allows for savings;
- The ability of the farmer(s) to make provisions for his/her retirement;
- The initiative can cover costs for insurances and is able to handle unforeseeable events (eg. natural disasters etc.) and to preventatively assess and manage risks;
- The initiative is able to cover the costs or have access to funds (eg. loans) for necessary investments (e.g. machinery, property etc.);
- Their income allows investment into their own organisational development (learning, knowledge sharing etc.) Their ability to develop, manage and maintain a community of members on a long term period and to build strong relationship between the members;
- Their ability to record and analyse costs and returns in an effective way and to gain the ability to set a fair price for the share;
- The ability for the farm manager to improve his/her production skills, crop knowledge and his/her ability to get and share knowledge and experiences;
- The knowledge of fundamental business studies to be able to have financial transparency towards the members (How high are the loan costs p.a.? How high are the operating cost p.a.? Is depreciation considered?);
- The ability to financially plan a CSA/SFS, to anticipate investments as well as to articulate practitioners' needs and to plan for the future (up to 5 yrs);
- The ability to keep the rolling budget in control;
- The connection with experienced persons / networking as an external "reality check" (for example an adviser, a regional group);
- Clearness of decision making (Does everybody know the role of everybody else in the organisation? Who decides what?);
- Creating a common vision and spirit of the SFS/CSA.

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<sup>1</sup> See Chappell's three-legged stool, Rawlinson, M.C., and Ward, C. (eds.), *Routledge Handbook of Food Ethics*, New York, NY: Routledge, 419-429.

Communication is of utmost importance because "solidarity" means replacing monetary incentives for action with community values. The tools we use for digital communication have a strong influence on how and what we communicate. Hence it is a question of utmost importance to know how we want to communicate and which tools to use.

Looking at the state of the art when it comes to research, we can assert that the issue of financial sustainability of CSA/SFS has not been researched thoroughly at the European level. The scientific knowledge on the topic has been built solely on country specific researches.

## **1.2 State of Research**

Previous research<sup>2</sup> led in **Germany** regarding CSAs have shown the following:

- Even though there is a tendency for overworking and for low level wages, CSA practitioners are satisfied with the model;
- The CSAs are heterogeneous in their structures: their mode of organization, budget planning, cooperation work between members, working hours and income are diverse;
- Many CSAs still do not calculate all costs, and still divide their incomplete cost calculation by the number of member—the fear of losing members is too high and the farmers' self-confidence too low, to insist on fair wages or a realistic calculation;
- Many CSAs miss a greater (practical, moral and financial) support from the members and point out the lack of knowledge, on the members' side, of agrarian structures;
- CSAs have different approaches to design a more sustainable management model: some focus on integrating the members, promote binding contracts for cooperation work, insist on community building, members' education, collective decision making; others may prefer a model where the farm manager decides, and members are more in the role of consumers. Most of the farms don't plan with the members' working hours;
- Solutions could include the design of a better financial planning method (a managing tool specifically designed for CSAs) or a stronger integration of the members;
- Many factors have not been researched until now, but are likely to have an influence on the budget planning and eventually on the wages: distance to the next city, amount of potential new members in the area, history of the creation of the CSA...

Research in the **USA** on CSAs has shown that:

- *"In theory, CSAs are an equity relation, not a commodity relation: customers invest in the agriculture and reap the returns, as well as share the risks. However, as an exchange of value occurs, and even alternative agriculture is similar to normal, commodified agriculture, CSA are also a commodity relation."* (...) *"With self-exploitation, farmers underprice their labor, or go without needs of the family, in order to continue to compete. It is a transfer of value from the producer to the consumer. Even if the farmers are prioritizing non-capitalistic values, self-exploitation can nevertheless threaten the long-term sustainability of a CSA (e.g. burnout, insufficient income, etc.)"* (...). *"Social embeddedness can cut both ways: while it allows for risk-sharing, it may also mean that the farmer can be unwilling to charge more out of obligation and feelings of closeness with their consumers ("wanting them to get a good value"). In fact, the more direct contact between farmer and consumer, the more negatively it impacted earnings."* (...) *"While CSAs are an impressive economic engine in terms of employment per hectare and gross sales per hectare, the*

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2 ANSCHÜTZ, M. (2015): Betriebswirtschaftliche Untersuchungen an Betrieben mit Solidarischer Landwirtschaft; Bachelorarbeit; Universität Kassel/ Witzenhausen; Fachbereich: Ökologische Agrarwissenschaften; Fachgebiet: Betriebswirtschaft; 79 S. (+ blancoExceltablelle); Kontakt: m.anschuetz[at]gaia.de

PFLAUM, S. (2014): Gemüsebau in der Solidarischen Landwirtschaft - Arbeitsstrukturen, Arbeitsqualität und ehrenamtliche Mitarbeit; Bachelorarbeit; Studiengang Gartenbau/Horticulture an der Beth Hochschule für Technik; Berlin; 69 S.

ERBEN, G. (2016): Perspektiven zur Gestaltung von Arbeitsplätzen und Einkommen in der Solidarischen Landwirtschaft; Masterarbeit

*returns to farmers are relatively low, but highly variable“ (...) “in particular, the capitalization of land prices drives alternative production practices toward industrial style farming because farmers need to maximize returns.<sup>3</sup>“*

- Even though 54% of CSAs researched in California are profitable, the earnings are low and farmers are dissatisfied with their financial security and their compensation. Many CSA farmers say competition prevents them from raising their prices, and leads to reduced profitability, reduced satisfaction, and reduced feelings of support and connectedness with their members. Farmer's age positively correlates with earnings, likely due to: (1) experience; (2) early investments paying off; (3) selection bias of CSAs with lower earnings having discontinued, thus only more successful, older CSAs are left; (4) older farmers needing to be more economically minded, as retirement is closer. The single-farm box model was correlated with higher farmer earnings<sup>4</sup>.

- Many have falsely assumed that alternative food networks (AFNs) are not subject to the same capitalistic pressures, such as competition, that characterize the industrial food system, and so competition in AFNs have been understudied. Competition is negatively correlated with profitability, farmers' satisfaction, social embeddedness of CSA, and two community food security strategies (providing lower priced shares for low-income families, and allowing gleaning)<sup>5</sup>.

The main work for the research on financial sustainability in the **UK** is the PhD work of Ian Humphrey<sup>6</sup>. The work gives a thorough analysis of a fundamental issue of CSAs, that has implications for the financial sustainability. He concludes that CSAs are not just moral economy, but straddle both the moral economy and the market economy, and thus face structural tension. They can be considered a diverse economy, with both market and non-market transactions, which add to their long-term viability. However, they still require sacrifice from their members, in order to be viable. Their success may then depend on the volunteers' capacity to help manage the CSA, thus the human capital of the CSA members is important. Getting the community involved in farming remains a large challenge, particularly with growers perhaps not having the experience, willingness, or social skills to effectively people-manage its members. The “inconvenience” of CSAs, compared to conventional supermarkets, also has large implications for its long-term viability.

**France** is home for one of the largest and most organized CSA movements in the world : the Amap, *Association pour le maintien d'une agriculture paysanne*, Association for maintaining small scale family farming. Since the early 2000s when the first Amap initiatives emerged, a lot has been written on the topic, both from a scientific and from a non-scientific perspective. Yet, most of the literature mentions Amap as an adequate answer to global climate, economic and social challenges, without really questioning the model. The academic research has been focusing mostly on the anthropological dimension of « *faire de l'Amap* »(doing CSA), in terms of social networking and producers-consumers partnerships (see the excellent field researches conducted by Claire Lamine and Yuna Chiffolleaux).

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3 All Galt Ryan, "The Moral Economy Is a Double-edged Sword: Explaining Farmers' Earnings and Self-exploitation in Community-Supported Agriculture", 2013.

4 All Galt, R. E. " CSA in the USA and California", 2015.

5 Galt, R. E., Bradley, K., Christensen, L., Van Soelen Kim, J., & Lobo, R., "Eroding the Community in Community Supported Agriculture (CSA): Competition's Effects in Alternative Food Networks in California", 2016.

6 Humphrey, I, "What is the potential of Community Supported Agriculture to promote resilience and contribute to transition in the UK?", 2017 (<http://etheses.whiterose.ac.uk/17846/>)

In a PhD study on *Alter-Conso*, an Amap-inspired food cooperative located in Lyon area, the word « *performative praxis* » has been used to describe the specificities of trying to implement ethical principles<sup>7</sup>. « *Performance* » refers to the action of building new practices that are derived from theoretical models. The performative praxis observed in organisational decision-making can be described as a « *set of activities whereby actors produce decisions that are transforming theories in social reality* »<sup>8</sup>. This is exactly what is happening in the Solidarity-based Food Systems, including the Amaps: they are one of the few initiatives questioning the way economic exchanges are organized while asserting that fair price building is one of their main pillars.

This background is useful to understand the alternative price building processes. Fair price building includes the organization's values and goals, as much in the definition criteria as in the choice of price setting procedures. In the case of *Alter Conso*, that could be extended to some Amap or CSA initiatives, **the fair price is built through a sustainable and comprehensive two- or three-party discussion, independant from offer and demand variations**. The three parties are the producers, the consumers and, when applicable, the staff. The price setting discussion is characterized by the recognition of the other actors' needs.

Earlier research, published as an article<sup>9</sup>, compares the producers' incomes in the Amap system and the incomes from the weekly markets. It seems that, although Amaps are usually more rewarding than markets, especially in terms of time spent selling the products, the results can actually vary extensively from one group to the other. Indeed, the result depends to a large extent on how much the maintenance of the Amap network relies on the producer's shoulders. Thus, there wouldn't be one rule for each model, but it would depend on the particularities of each group to see what works better from the producer's point of view.

Considering the research led in **Belgium** concerning the working conditions in several CSA initiatives, the following can be observed:

The research, that involved 130 agroecological vegetable growers in Wallony, who, for a large part, are selling through the Gasap (Belgian CSA) network, the researcher Antoinette Dumont<sup>10</sup> sheds light on a paradox. On the one hand, the agroecological producers have a non-political vision of the transition to agroecology ; they count mostly on the direct links with the consumers to be supported and to improve their working conditions and their staff's employment conditions. On the other hand, the same producers are realizing, as the years go by, that this support won't be enough for long-term viability. However, they don't dare open up about this finding to their consumers. Moreover, these viability issues are not addressed by the intermediary bodies, like the unions or the social movements, who seem to prefer carrying forward the unchanged ideal vision of agroecology. This topic should be more explicitly explored if better working and employment conditions are to be developed. This will require hard work, since the producers themselves seem not prepared yet to tell fellow producers about some of the issues they are facing and the practice changes they had to implement.

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7 Marion Maignan, *La construction d'un prix juste au sein d'un système agro-alimentaire alternatif. Cas de la société coopérative d'intérêt collectif Alter-Conso*, Paris : Université Paris-Est, 2016.

8 Cabantous and Gond (2012), p. 62, quoted in Marion Maignan, *op. cit.*

9 Valérie Olivier et Dominique Coquart, « Les AMAP : une alternative socio-économique pour des petits producteurs locaux ? », *Économie rurale* [online], 318-319 | july-october 2010, uploaded on the 1st october 2012, checked on July the 10th, 2018. URL : <http://journals.openedition.org/economierurale/2793> ; DOI : 10.4000/economierurale.2793)

10 <http://www.philagri.net/antoinette-dumont/>

The author suggests some possible directions for further research while proposing some actions that could ensure higher levels of financial security for SFS/CSA. For example, small and medium scale vegetable growers could benefit from large scale production (cereals, for example) on their farm as a kind of guarantee to minimize the risks linked to their own small scale vegetable production.

In **Hungary**, the CSA movement has been well documented, even if it has remained at a small scale. Lazányi (2013) shows that besides access to healthy food, local food, supporting the farmer and the controlled origin of the produce are the most popular motivations for joining CSAs. The same study found controversial results about *“sharing risk with the farmer”* as a driving force for membership. First, it ranks low among the motivations. Moreover, there is a low response to the following proposal: *“In case of a major issue affecting the garden or the production (unexpected freezing, flooding) and if I would receive less produce or even nothing, I would nevertheless remain a member and would pay the due fees”*, That means members are rather not ready to share risks.

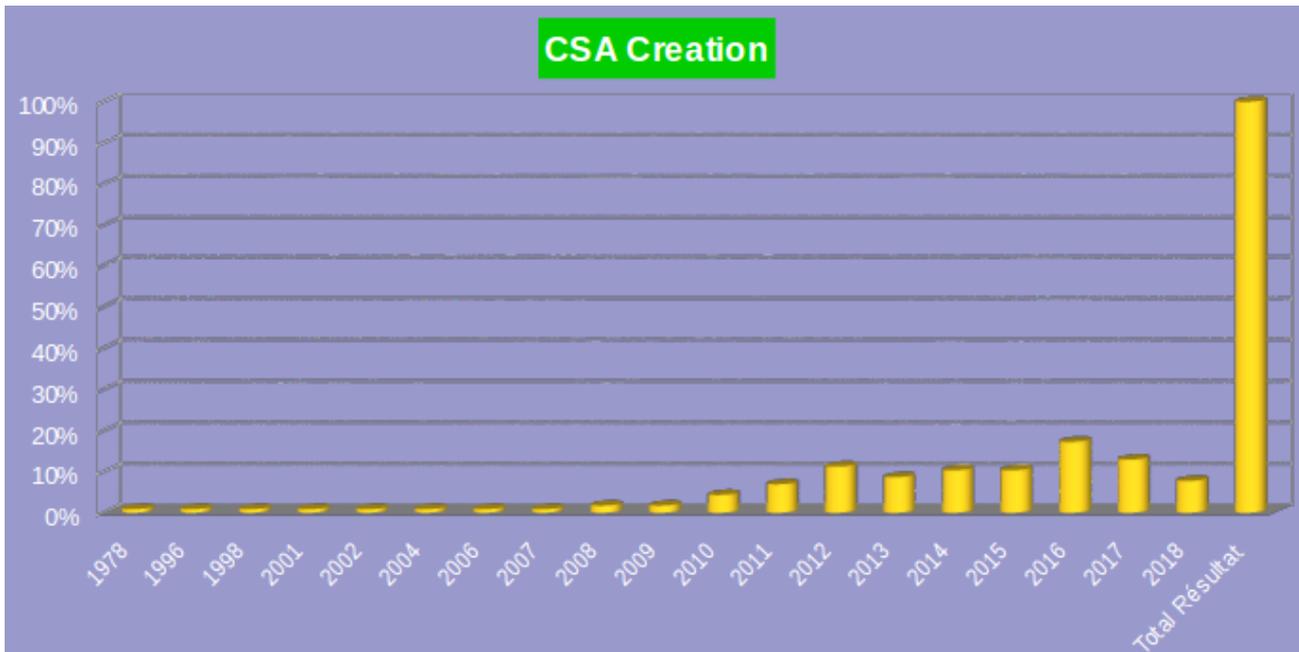
For most of the Hungarian CSA farms, it takes 3 years to be able to pay a wage from the farm's income, but even then, it seems other income-generating activities are still necessary. The investments can be made only from other sources, eg. family support. Farmers do not expect high return on investment, but once the investment is made, the running costs are fortunately relatively low. This research also points out that the communication on risk-sharing towards the consumers is poor and the cost calculation often inappropriate. The membership fees are low compared to the overall costs and in most cases cover only the running costs. Farmers do not include reserves for unforeseen costs in the price. Thus risk-sharing is not happening, the CSA is more like a service.

The typical CSA consumer in Hungary is highly educated, young, self-reflective, lives in a city, with family, is looking for experiments and is free from burning financial issues. CSA communities represent a kind of sub-culture that may limit further growth of the movement. The understanding of risk-sharing is very low: farmers do not make much effort to educate their members about it, even if it is included in the formal agreement. Although solidarity is represented on the community and interpersonal levels, even if *“supporting the farmer”* is a core value for the consumers, in most cases it does not have an impact on the financial sustainability. When it comes to actual risk sharing, consumers are more open to take on voluntary tasks in running the CSA (organising eg.) than losing benefits (eg. receiving less produce).

### **1.3 General characteristics of CSA**

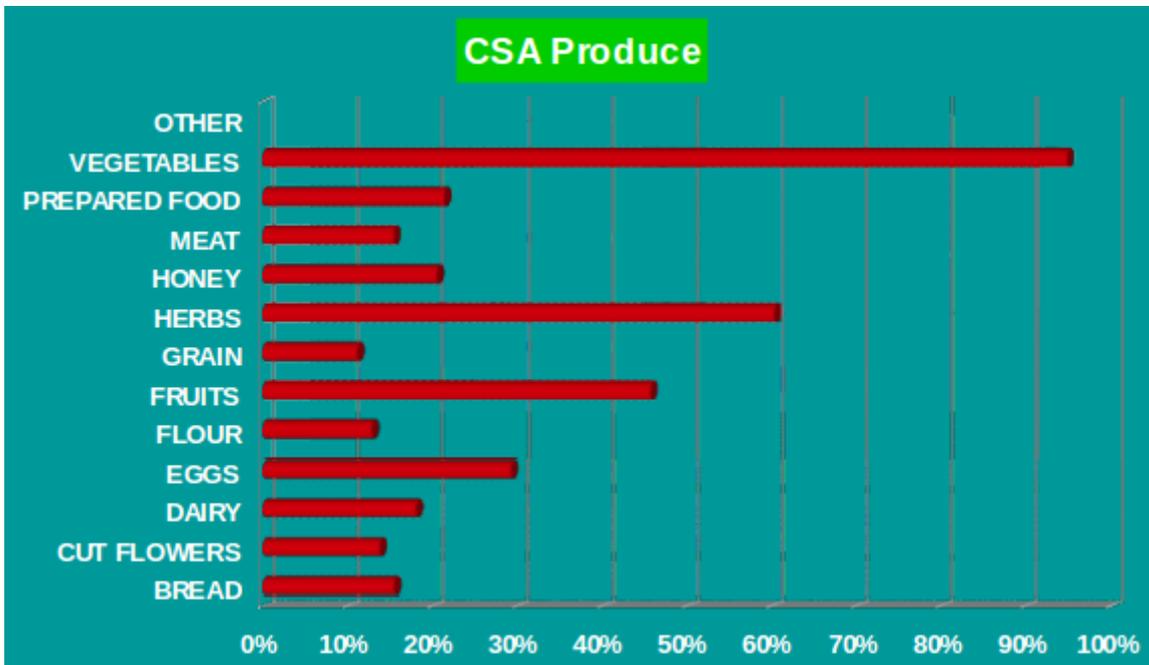
To gather a better understanding some basic characteristics of CSA are displayed. The data we collected from the online Solid Base survey was complemented with data from the census undertaken by the CSA research group in 2015. Additionally, results from the qualitative interviews are used to back argumentation in some cases.

The number of CSAs was estimated to be around 3000-6000 in 2015, depending on the definition of CSA (e.g. discussion in Italy if the GAS system is a kind of CSA). It is interesting to see that nearly 40% of the CSAs interviewed have less than 2 years of existence (see graph from Solid Base data, #6). This means they were not even counted in the 2015 European CSA census.



Most CSAs in our Solid Base survey (67%) operate with one farm only. Most of the CSAs are certified or non-certified organic (certified organic: 41% in Solid Base, 44% in the census data; non-certified organic: 33% Solid Base, 41% census). Only a surprisingly small portion in the Solid Base sample (less than 10%) are certified biodynamic farms.

The following graph shows that there is quite a range of supplies in the CSAs, much more than the baseline vegetables.



The items quantity usually reflects the abundance and scarcity of the season (86% Solid Base data), custom-made box shares are the exception.

## Software

The quantitative analysis of the multiple choice poll ("How satisfied are you with the software you use?") displays that the respondents are using ICT mostly for communication, which seems to be working in a satisfying way. This aspect received the highest number of responses (69) and was answered with the highest percentage of satisfaction (74 %). Second to this are tools for administrative and calculatory support, receiving a similar, but declining amount of responses (68 members data administration, 57 bookkeeping, budget planning 46) while showing an overall satisfaction with its software tools (64 % budget planning, 63 % members data administration and bookkeeping each). The other choices for crop, delivery and labour planning produced less responses (in this order 34, 29, 18) and lower degrees of satisfactory utilities (53 %, 55 %, 44 %). The absolute frequency of answers thought together with the distribution of non-satisfactory responses reveals an anti-proportional correlation: domains of tools that are less in use demand more improvements to appear sufficient.

Approximately one-fifth of the respondents (21%) answered yes to the question: "Has your CSA made a conscious choice to use free/libre open source software (FLOSS) as part of their data sovereignty?". This clearly shows a lack of awareness about this section of citizen sovereignty. To gain comprehensive societal change towards agroecological sustainability, a broad alliance of transformative movements is necessary. As ICT is an integral part of all bigger SFS, awareness about its socio-technical foundations should be included in the training by all practitioners.

## CHAPTER 2: METHODOLOGY AND MAIN TRENDS EMERGING FROM THE SURVEYS AND THE IN-DEPTH INTERVIEWS

In order to generate an overview of the main issues regarding the financial sustainability of CSA and SFS, the Solid Base research group chose to collect two main types of data: a comprehensive questionnaire (with more than 50 questions), and in-depth interviews with CSA farmers and consumers. It is acknowledged that the focus was mostly on CSA, and that SFS representatives made up only a small portion of the respondents and interviewees. A third survey with consumers was added to the data collection.

The questionnaire was drafted as a comprehensive questionnaire, covering a lot of topics. Its objective was to collect data from different contexts across Europe in order to draw repeating patterns and identify more study cases. The response from the CSA movement to the overall questionnaire was satisfactory, with 116 *filled* questionnaires. Nevertheless, some limits should be mentioned. First, the questionnaire was designed to be filled, ideally, by group coordinators and farmers together. Some questions were targeting farm management issues, and therefore required a deep knowledge of the farm itself, whereas other questions were rather related to group dynamics and community building issues. Some respondents felt they could answer precise questions about the collective dimension of CSA, but they didn't feel informed enough to answer questions about the farms involved in the partnerships. The opposite seems also true. The consequence is a relatively high level of unfinished questionnaires and unanswered questions. The people who filled the questionnaire were farmer and coordinator in one person (36%) and coordinators (34%); "just" farmers amount to 16% only.

Austria (AUT)	3
Belgium (BEL)	4
Croatia (HRV)	2
Czech Republic (CZE)	17
England (ENG)	3
Finland (FIN)	3
France (FRA)	9
Germany (GER)	27
Greece (GRC)	4
Hungary (HUN)	9
Ireland (IRL)	5
Italy (ITA)	8
Norway (NOR)	6
Portugal (PRT)	2
Romania (ROU)	2
Sweden (SWE)	6
Switzerland (CHE)	5
The Netherlands (NLD)	1
<b>Total Number</b>	<b>116</b>

Although a remarkable effort was done to translate the questionnaire in 9 different languages (English, Czech, French, German, Hungarian, Italian, Polish, Romanian, Spanish), it was unequally distributed in Europe. Most important of all, the results couldn't, in any way, reflect quantitatively and statistically the shape of CSA in Europe, as, for example, the countries are not represented proportionally to their relative weight in the European CSA movement. For example, only 8% of the 116 responses came from France, the country with the largest number of CSA groups, around 40% of the total number of CSA in Europe, according to the 2015 European CSA census. On the other hand, German CSA, with 23% of the answers but only around 5% of the total number of CSA groups in Europe, and the Czech CSA (15% of the answers, but only about 1% of the European CSA groups...) are over-represented.

Therefore, the goal was not to accomplish perfect representativity. That would have been too challenging. But the final result is still interesting: 18 different countries are represented in the final sample, and the questionnaire also helped identify volunteers for further in-depth interviews, who would have otherwise never been contacted.

Most of the lessons shared in this document are based on a combination of online questionnaire results and qualitative interview outcomes. 37 in-depth interviews were conducted in total (11 with German, 9 with French, 7 with Swedish, 5 with Czech, 1 with Irish, Greek, Belgian, Norwegian and English interviewees), all using the same 20-question-grid, with a mix of farm budget, marketing and community building questions. Additionally, a questionnaire for consumers was also sent out and answered by 387 people (see below 2.3).

## **2.1. Main trends regarding financial sustainability emerging from the online questionnaire**

Let's start with the final question from the questionnaire: "*How do you feel about the future of your CSA?*" (question #90). Even if highly subjective, this question sets the tone of the questionnaire. Only two of the respondents declare themselves pessimistic, whereas 25 are "undecided" and 90 are optimistic. To the question #49: "*have you seen a financial improvement in your CSA farm(s) for the last 5 years?*", only 13% answer no, and a comfortable majority (59%) yes. In our sample, respondents are overall very positive about their experience of CSA.

Among the main reasons to rejoice, there are certainly the financial guarantees offered to the farmers by the CSA model, also unanimously mentioned in the interviews: the prepayment is always ranked as number 1 strength of the CSA, as "*it provides the farmer with a cash flow that cannot be found in any other farming sector !*" (interview with Denis, France). Question #27 was "*How does the CSA partnership affect each of the following operations ?*", and the respondents had to choose for each operation -2 (very negative influence); -1 (negative influence); 0 (neutral); +1 (positive influence); +2 (very positive influence). The most positive answers are about the "*financial ability to meet annual costs*", for which 61 out of 79 answers describe a positive or very positive influence, and only 3 a negative or very negative influence. Then comes the impact of CSA on "*farmer compensation*", with 52 answers on 79 reporting a positive or very positive influence, and only 4 a negative influence. The farmer's financial security is also positively affected by the CSA model for a majority of the respondents to this question, even if, for this particular question, there is an important proportion of respondents who consider the impact "neutral".

This positiveness should however be somewhat tempered by the result from another question (#48): "*overall, is/are your farm(s) as sustainable as you'd like it to be?*" 43% of the answers were no, 42% only were yes.

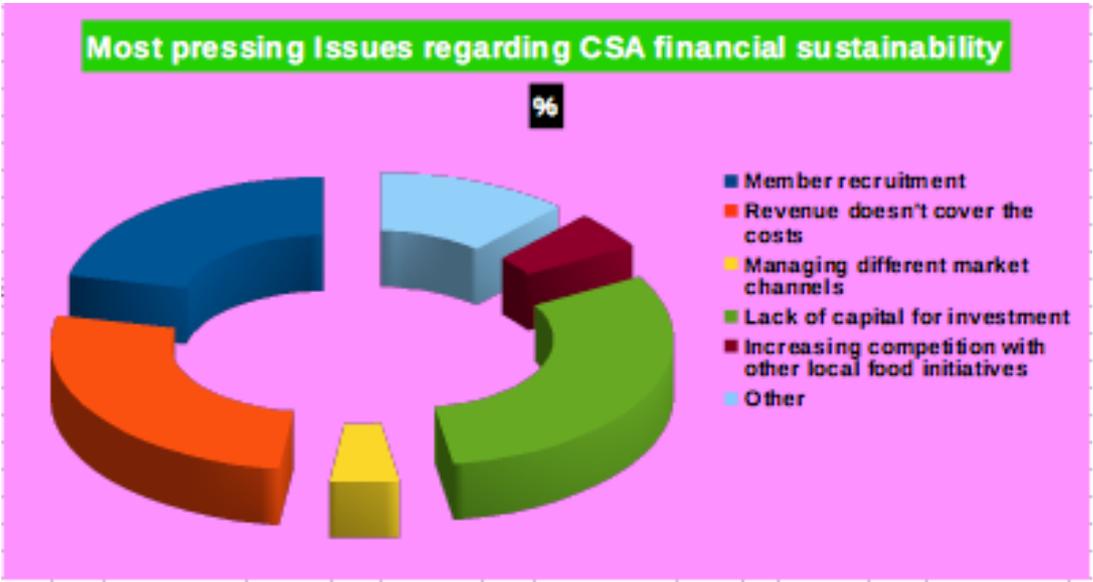
Some features are clearly shared across countries. For example, the length of the minimal commitment is longer than expected (question #37). For 51 of the 116 respondents, the minimal length is one year, which is often identified as the longest possible commitment for consumers. For a clear majority of respondents (75/116) it is 6 months and more. 16% only report a commitment that would be less than 3 months, and 5% even no commitment at all. The latter respondents don't even actually claim to be CSA, but SFS. In Finland, for example, the REKO system does not ask for any period of commitment, just for the prepayment of the next order.

Another common feature is the type of distribution. Door delivery service is mentioned only to the level of 15%. This data is important, because this characteristic would fit better to a box scheme than a CSA. There are some cases of self-harvest, but the huge majority of initiatives in our sample are based either on distribution on a common spot, or on pick up at the farm.

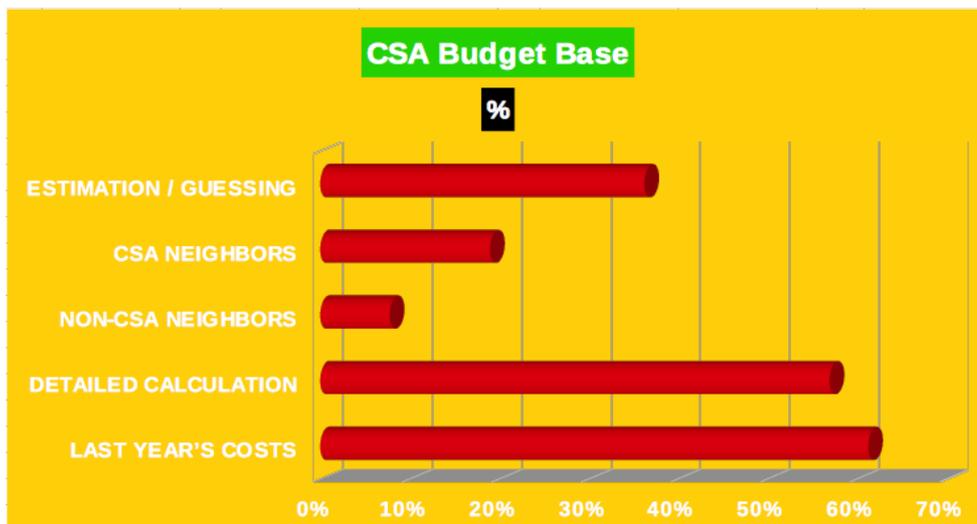
Regarding the question #32 "Who are the workers on the CSA farm? What percentage of the total workload in terms of time do they contribute?" we get the following result: The time contribution of CSA members on the farm is quite small. Most work is done by the farmer, at times supported by seasonal paid workers. Interns, volunteers, unpaid family members play a role but a rather small one.

Eventually, the questionnaire also reveals a common approach on an overarching issue: the increasing competition within the landscape of local food systems. Even if a large majority confirms that the local food availability has been increasing during the last 10 years (84 answers out of 116, question #65), only a small part tends to think that this affects their financial income (#66: 10/84). This issue should be contextualised, considering what farmers have stated in the interviews: *"our consumers can't be fooled. The new box schemes, food assemblies, and the alike, are so different"*. Some of the interviewees also stress the importance of keeping this distinction, because *"making yourself different will increase your appeal and bring more support from the community"*. There seems to be an ongoing debate between making the CSA more flexible, more convenient in order to attract more people, on the one hand, and sticking to the founding principles, to stand clear from all the new short supply chain models.

For problems with financial sustainability (question #51), the three most consistent answers were capital investment, member recruitment, and operating costs. Additionally, labour and machine costs were by far the most underestimated costs. Budgeting seems to be a skill that many respondents report needing help with.



The budget base (question #58) is mostly based on previous experiences and on detailed calculations (multiple answers possible). Surprisingly, estimation /guessing is the third most popular answer, more chosen than comparing to the neighbors.



On the price side, 24% didn't update the share price in the last three years (not even for inflation), but 85% of members reacted to a price increase favourably from the CSAs that reported their response to a price increase.

These are the answers for the question "How

challenging is it to build your community in each of the following aspects?":

	REAL OBSTACLE	VERY CHALLENGING	SOMEWHAT CHALLENGING	NOT CHALLENGING AT ALL	IRRELEVANT
COMMUNICATION WITH MEMBERS	1%	8%	51%	39%	2%
SOLVING CONFLICTS	3%	8%	39%	32%	19%
MOTIVATING MEMBERS TO CONTRIBUTE THEIR TIME	11%	26%	40%	16%	8%
INCLUDING COORDINATION & COMMUNICATION IN BUDGET	7%	20%	38%	14%	22%
COORDINATION OF VOLUNTEERS	1%	11%	35%	34%	19%
EFFECTIVE USE OF VOLUNTEERS	3%	8%	33%	36%	20%
FARMER WANTS NO MEMBER INVOLVMENT	3%	6%	10%	16%	65%
MAKING TIME FOR SOCIAL EXCHANGE & EDUCATION	7%	19%	43%	27%	4%
CULTURAL DIFFERENCES BETWEEN MEMBERS	3%	2%	15%	47%	34%
INCLUDING MEMBERS WITH LOWER INCOME	8%	10%	33%	24%	25%
COLLECTIVE DECISION-MAKING	6%	11%	40%	26%	17%
TRANSPARENCY	1%	2%	22%	68%	8%

The most pressing issues are motivating members, making time for social exchange, and including coordination and communication in the budget.

The respondents most favoured the following ways to address the issue of financial sustainability through personal and collective learning: farmer exchanges, on-site visits by technical advisers, and hands-on trainings.

## 2.2. Main trends from the qualitative interviews with farmers

The qualitative interviews were held in person or by phone with farmers (farmers/coordinators). When looking at the main results, the following aspects were striking:

Emergence: Nearly 40% of the CSAs interviewed have less than 2 years of existence, only the French AMAPs operate much longer on average (9 years);

Production Focus: An overwhelmingly high number of CSAs focus their production on vegetables, followed by herbs, meat, eggs, fruits and honey. Only a few number of these associations produce dairy products, flowers or bread;

Financial Situation: The majority of the CSAs interviewed in the study suggest that they have experienced some sort of financial improvement over the last years. These improvements and the self-perception of financial stability are mainly due to:

- Continuous adjustment of share prices;
- Pre-payment scheme allows for security, risk amelioration and liquidity;

Nevertheless, some CSAs struggle with initial investments.

Work-Compensation Relationship: A significant trend was observed as interviewees suggest that the compensation is enough to have a “full life”, where needs could be met. Despite this trend, concerns exist regarding the “hard work/effort” that these activities entail in relation to the income received. There are some contrasting positions.

Leave Days: An increase of holidays thanks to the CSA model is reported in the interviews.

Side-Jobs and Incomes: The vast majority of the farmers that were interviewed need side-revenues for their activities. CSAs usually represent between 50 and 70% of total income.

Work Organization: Several CSAs heavily depend on volunteers/membership work to sustain. There is a trend towards a low number of permanent workers (full-time) that is complemented by volunteers and paid seasonal workers.

Use of digital technology: Within almost all SFS there are standard office programs in use. Spreadsheets are helpful in various parts of organization: Member administration, crop planning, budget planning and bookkeeping. Interesting tools that were mentioned were: Garden planners: Tend, PC-Gärtner; Bookkeeping: "Visma Specs"; Selling: OpenFoodNetwork

Improvements: A significant number of CSAs mentioned “infrastructure” and “investments” as being areas for further improvements (i.e. irrigation systems, storage capacities, machinery). Additionally “work-related issues” were less significant but observable (i.e. knowledge and expertise).

Share Prices: Usually CSAs start comparing (benchmarking) prices with other similar organizations. Some mentioned that they base their prices on the market.

Ideal Membership Calculation: Large variations regarding the ideal amount of members have been observed. Factors that might explain this discrepancy depend on production capacities, location (urban v/s rural) and consolidation (years of experience).

Trends in the way "community" is understood: These are the following elements that persisted between the interviewees (many of which overlap with their understanding of solidarity). An overwhelming majority suggested that these elements are key for their CSA:

- Closeness to customers/commitment between them;
- Closeness between producers (volunteers, farmers, villagers) and land;
- A “meeting point” for the community, based on common values and goals;
- People that look out for each other;
- People that share knowledge, skills and time;

- Trust and work together.

#### Trend in Solidarity Understanding:

- Food sharing;
- Consideration for others, helping each other out;
- Willingness to support one and other;
- Sharing;
- Solidarity is caring for the environment.

No Competition: the vast majority (over 90%) of CSA interviewees suggest that no local competition exists between associations.

### **2.3. Main trends from the consumer interviews**

387 consumers took part in the survey and filled all the survey. Surprisingly, like in the "big" questionnaire, the percentage of answers from Czech Republic is high, in this case almost 50%. Therefore we analyze the data both with and without Czech consumers. The main outcomes are the following:

- When asked about the financial contribution to the CSA, the majority of consumers (~80%) think that the share price is ok for them - this could indicate that farmers shouldn't be shy to give the right costs!
- Regarding the benefits of being part of a CSA, once again, price considerations are lower in importance than environmental concerns (~85%), freshness and seasonality (~85%), quality (~81%) and traceability (~78%). Multiple answers were possible.
- Quality emerges as the main motivation for the choices in general, followed by the environmental impact.
- The feeling of connection with the farmers and the fellow CSA members are there but rather moderate. It does not seem to be the main reason for staying in the CSA. However, more connection between the farmer and the members would help or maintain the retention of members, and more connection between the members helps even more. By building up the community among members and with the members, they could maintain a stronger core group.
- Regarding members' involvement in the CSA, it is mostly focused on coordination. A majority of CSA members are happy to let the farmers handle the financial aspects. Members would like to be involved in the crop or product planning. Farmers could consider allowing more opportunity for CSA members to weigh in on which products they'd like to see.
- The CSA consumers are mainly urban (~62%), in their thirties (~37%) and well educated (~60% master or PhD. degree). There are clearly more females (~69%) than males (~27%). The over-representation of the Czech CSA movement might have stressed this trend, though.

## CHAPTER 3 - OBSTACLES, CHALLENGES AND SOLUTIONS FOR THE FINANCIAL SUSTAINABILITY OF CSA

In this third chapter we are looking at what are the main obstacles and challenges for SFSs towards financially sustainable. The chapter also lists which kind of educational tools and methods could be used to overcome those obstacles, introducing best practices from Europe. We have, based on our research, identified and grouped the main issues related to financial sustainability and therefore have divided this chapter into 4 main topics accordingly:

- Economic knowledge;
- Social education/community building (incl. views from the farmer/coordinator as well as from the consumer side);
- Resources and logistics;
- Appropriate technology

The main issues that emerged from the online questionnaire were the following:

Economic knowledge	Social education	Resources and logistics	Appropriate technology
Budget planning	Transparency and education of costs	Involving the members	Which tools to choose?
Production	Consumers to Prosumers	Access to funding	How to assure data sovereignty?
Workload	Building CSA community	Cooperation with other farms	
		Different marketing channels	
		Pension and retirement	

In the following we address the different points accordingly.

### **3.1 Economic knowledge**

#### **How to plan the budget? How to draw a business plan?**

Budget planning is one of the crucial points of financial sustainability, and one that poses an issue for many initiatives. When asked question #88 "What skills/knowledge related to financial issues are missing from your CSA?" the most chosen reply was Budget Development (30% of all respondents).

The UK CSA network provides documents to address the issue. In the finance section, the basics are communicated, e.g. the difference of budgeting vs. cash flow: "don't confuse income with profit! Income needs to cover expenditure. Example budget and cash flow. The budget sets the amount that is planned to be spent on any particular item over a certain period, while the cash flow looks at the movement of money in and out of the business, and projects what will be in the bank at the end of the month/year. It can be adjusted as real spend becomes known. A cash flow plan is essential to highlight if the business is at risk of running out of money. Budgets and spend should be overseen by the steering committee, directors or equivalent!" For starters a CSA budget is outlined.

Typical CSA  
DRAFT BUDGET FOR

VEGETABLE CSA INCOME	BUDGET (£)
Veg bags: Budget = 115	59,754
Veg sales: Budget	1,500
Membership	2,520
Goods (surplus cook books)	50
Other (ads, plants etc)	100
Barn Dance/social events	1,250
Gift	100
<b>SUBTOTAL INCOME</b>	<b>65,274</b>
EXPENDITURE WAGES	BUDGET (£)
Main grower	18,863
Second grower	17,540
Third grower	1,000
Labour	1,000
<b>SUBTOTAL GROWERS WAGES</b>	<b>38,403</b>
GROWERS BUDGET	BUDGET (£)
Seeds	2,500
Equipment	350
Inputs (sacks, sand, gas etc.)	1,250
Other (plant hire, contractors)	0
Water	2,000
Other goods (books, bags)	0
<b>SUBTOTAL GROWERS</b>	<b>6,100</b>
OVERHEADS	BUDGET (£)
Admin wages	7,710
General costs	300
payroll/company admin/bank	1,000
training and courses	300
insurance	800
Publicity	700
Social Events	200
Barn Dance	500
Social Facilities	400
Rent	2,000
Depreciation	2,000
<b>SUBTOTAL OVERHEADS</b>	<b>15,910</b>
<b>TOTAL EXPENDITURE</b>	<b>60,413</b>
<b>BUDGETED SURPLUS/ LOSS</b>	<b>4,861</b>
BALANCE SHEET	
BUDGETED PURCHASE OF	
Assets	500
BUDGETED REPAYMENT OF	
Loan repayments	2,000

Understanding and keeping control costs are indeed listed among the key factors for CSA businesses (all documents: UK CSA network<sup>11</sup>):

- Having a clear vision and idea what you are doing
- Understanding the motivation of members and striving to keep them involved, continual recruitment
- Understanding and keeping control of growing costs and being focused on producing good quality organic vegetables
- Providing a range of social engagement opportunities and events (but not at detriment to previous requirement)
- Understanding the finances and only taking grants for capital investment

In Germany, the SoLawi network ((*Solidarische Landwirtschaft*, Solidarity -based Agriculture) has established a similar package of information<sup>12</sup> (in German), the MakeCSA project as well<sup>13</sup>.

Anschütz has developed an elaborated tool for business planning in the CSA context that tries to enable a user-friendly way of analysing what to expect and what to consider. The work is limited to vegetable production however and is only available in German. The excel table (and the guideline how to use it, see portfolio) tries to give a realistic understanding of the costs of the operations. This is done with the provision of key figures that can be expected (labour costs, space needed per share, taxes, share price etc)<sup>14</sup>.

Another result from the questionnaire related to price building comes from question #58, where the respondents are stating that they usually don't take into account the prices practised by non-CSA neighbours, but that they base their budget on the last years costs and the detailed calculation of their own farm project. So these guidelines and examples from CSA networks are actually very important for newcomers. In many interviews it was stated that the ideas at the beginning had to undergo a reality check. It is at the beginning that the enterprise is the most vulnerable.

11 <https://communitysupportedagriculture.org.uk/help-advice/resources/>

12 <https://www.solidarische-landwirtschaft.org/fileadmin/media/solidarische-landwirtschaft.org/pdf/Medien/Netzwerk-Solawi-Mustermappe.pdf>

13 <http://www.agronauten.net/solid-base/>

14 The tool for economic planning (in German) can be found here: <https://www.solidarische-landwirtschaft.org/mediathek/medien-fuer-den-aufbau-einer-solawi/>

Crucial for budgeting is the transparency of what goes in and out as noted in the budget sheet (anonymous example):

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	<b>bakery expenses</b>												
2													
3	<b>expenses</b>	january	february	march	april	may	june	july	august	september	october	november	december
4	association member fee	99.00 €	- €	- €	21.63 €	100.65 €	- €	99.00 €	- €	- €	- €	- €	- €
5	bags	46.88 €											
6	control costs	- €	- €	- €	170.82 €	- €	- €	- €	- €	- €	- €	- €	- €
7	participation in research projects	- €	- €	- €	- €	- €	33.00 €	- €	- €	- €	- €	- €	132.00 €
8	1/6 office	384.80 €	129.34 €	131.55 €	70.79 €	44.79 €	185.36 €	84.53 €	57.33 €	82.70 €	89.80 €	54.18 €	55.52 €
9	electricity	67.20 €	67.20 €	67.20 €	67.20 €	67.20 €	67.20 €	67.20 €	67.20 €	67.20 €	67.20 €	67.20 €	67.20 €
10	1/5 LBG	- €	- €	48.81 €	- €	- €	48.81 €	- €	- €	48.81 €	- €	- €	- €
11	1/6 household	5.60 €	15.79 €	8.85 €	8.23 €	10.52 €	8.60 €	1.89 €	6.39 €	12.80 €	16.20 €	3.82 €	30.25 €
12	material for building	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	16.73 €
13	third-party insurance	- €	- €	- €	- €	- €	- €	19.94 €	- €	- €	- €	- €	61.65 €
14	cash cashier	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
15	sales tax	- €	2.535.23 €	870.09 €	126.15 €	- €	- €	- €	- €	- €	- €	- €	- €
16	advertisement print						59.83 €	180.71 €					299.71 €
17	lease	54.56 €	54.56 €	54.56 €	54.56 €	54.56 €	54.56 €	54.56 €	54.56 €	54.56 €	54.56 €	54.56 €	54.56 €
18	<b>total</b>	<b>658.04 €</b>	<b>2,802.12 €</b>	<b>1,181.05 €</b>	<b>519.39 €</b>	<b>277.72 €</b>	<b>457.36 €</b>	<b>507.83 €</b>	<b>185.48 €</b>	<b>266.07 €</b>	<b>227.76 €</b>	<b>179.76 €</b>	<b>717.62 €</b>
19													
20													
21	<b>personal costs</b>	january	february	march	april	may	june	july	august	september	october	november	december
22	withdrawal freelancer leading	874.33 €	696.25 €	778.76 €	716.57 €	658.99 €	964.73 €	632.23 €	751.68 €	448.81 €	1,007.03 €	507.08 €	763.30 €
23	withdrawal freelancer helping	- €	30.08 €	- €	- €	28.48 €	- €	- €	19.39 €	- €	- €	21.91 €	32.98 €
24	salary employee leading	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
25	<b>total</b>	<b>874.33 €</b>	<b>726.33 €</b>	<b>778.76 €</b>	<b>716.57 €</b>	<b>687.47 €</b>	<b>964.73 €</b>	<b>632.23 €</b>	<b>751.68 €</b>	<b>468.20 €</b>	<b>1,007.03 €</b>	<b>528.99 €</b>	<b>796.28 €</b>
26													
27													
28													
29	<b>bakery income</b>												
30													
31	<b>income</b>	january	february	march	april	may	june	july	august	september	october	november	december
32	bread sales cash												
33	CSA without direct debit	55.80 €	211.80 €	49.80 €	55.80 €	55.80 €	55.80 €	49.80 €	49.80 €	61.80 €	63.80 €	74.80 €	51.80 €
34	CSA with direct debit	504.30 €	1,263.60 €	- €	770.40 €	1,892.60 €	16.00 €	744.40 €	720.90 €	966.60 €	888.10 €	958.40 €	1,229.00 €
35	private loan	- €	1,875.00 €	- €	239.00 €	- €	- €	- €	- €	- €	- €	- €	- €
36	<b>total</b>	<b>560.10 €</b>	<b>3,350.40 €</b>	<b>49.80 €</b>	<b>1,065.20 €</b>	<b>1,948.40 €</b>	<b>71.80 €</b>	<b>794.20 €</b>	<b>770.70 €</b>	<b>1,028.40 €</b>	<b>951.90 €</b>	<b>1,033.20 €</b>	<b>1,280.80 €</b>
37													
38													
39													
40		january	february	march	april	may	june	july	august	september	october	november	december
41	<b>income total</b>	<b>560.10 €</b>	<b>3,350.40 €</b>	<b>49.80 €</b>	<b>1,065.20 €</b>	<b>1,948.40 €</b>	<b>71.80 €</b>	<b>794.20 €</b>	<b>770.70 €</b>	<b>1,028.40 €</b>	<b>951.90 €</b>	<b>1,033.20 €</b>	<b>1,280.80 €</b>
42	<b>expenses total</b>	<b>1,532.37 €</b>	<b>3,528.45 €</b>	<b>1,959.82 €</b>	<b>1,235.95 €</b>	<b>965.18 €</b>	<b>1,422.08 €</b>	<b>1,140.05 €</b>	<b>937.16 €</b>	<b>734.28 €</b>	<b>1,234.79 €</b>	<b>708.75 €</b>	<b>1,513.90 €</b>
43	<b>GV</b>	<b>- 972.27 €</b>	<b>- 178.05 €</b>	<b>- 1,910.02 €</b>	<b>- 170.75 €</b>	<b>983.22 €</b>	<b>- 1,350.28 €</b>	<b>- 345.85 €</b>	<b>- 166.46 €</b>	<b>294.12 €</b>	<b>- 282.89 €</b>	<b>324.45 €</b>	<b>- 233.10 €</b>
44													
45													
46													
47													

To do this an external professional advisor or book-keeper can be hired, other CSAs do it with skilled volunteers. The German SoLawi Lebensgarten attributes much of their financial sustainability to the bookkeeping skills of one of their members, who does this voluntarily. But what to do if there is no finance expert or accountant in the CSA? In some cases, e.g. certain questions related to VAT/taxes and CSA volunteers aid might not be sufficient, cause these are special questions that sometimes have no clear legal precedent (CSA community/association buying land e.g.). Here, the help from experienced CSA farms and advice systems set in place by national CSA networks might be useful.

The "Kartoffelkombinat" from Munich, Germany has a strong emphasis on the financial sustainability of their cooperative since their start in 2012. They have a 18 ha production site, of which 7 ha belongs to the cooperative since 2017, 11 ha are leased. On this land 66% of the food shares are produced for 1300 households, the remaining 33% are allocated from mainly 2 other farms. From 2020 onwards about 1.650 households will be supplied with 80% from own production, which is seen as optimal size. At the moment about 30 people work there. In the estimation of the cooperative members it is important to point out they believe that the urban clientele is not totally suitable for a kind of concept that involves them heavily in farming and distribution tasks. Instead they estimate that these people have little time but the aspiration that the supply works fluently and that the Kartoffelkombinat lives up to the concept of local, organic food that is produced in a fair way (added value). The increase of the share prices with an extra solidarity payment for the purchase of the enterprise (7€ extra/months) was discussed. The reasons were explained in the general assembly and accepted by the members. The cooperative form forces this solidarity-based approach to be transparent, enabling thought and reflection upon economic sustainability. This is also due to the fact that members of the cooperative are often also recipients of the food shares. The communication with the members of the

cooperative is a high priority, which includes an evaluation concerning the level of satisfaction among the members. A special membership management software was developed with user-friendly interactive solutions.

The financial sustainability of the CSA should be ensured through a long-term planning and continuous monitoring and reflection. It is therefore a good idea to have a medium/long term business plan. The UK CSA network gives an overview of what should be kept in mind, in general and in regard to the business plan.

<p><b>Introduction</b></p> <p>Give some background and history as to why, when and where your CSA was set up and who by?</p> <p><b>Aim and Objectives</b></p> <ul style="list-style-type: none"> <li>▶ Make Clear SMART objectives (Specific, Measurable, Achievable, Realistic, Timebound)</li> <li>▶ Include key targets, such as number of customers and/or members by a certain date.</li> </ul> <p><b>Assessment of need</b></p> <ul style="list-style-type: none"> <li>▶ Why the project is needed</li> <li>▶ How this had been evidenced e.g. through surveys</li> <li>▶ Who the key stakeholders are i.e. those who have set it up, farmers, landowners, members and so on.</li> </ul> <p><b>Governance, staffing and volunteers</b></p> <ul style="list-style-type: none"> <li>▶ How are you going to run your CSA?</li> <li>▶ What is the legal structure of your organisation and who is on the core group, committee or board of directors?</li> <li>▶ Is it purely voluntary or are there some paid staff?</li> <li>▶ How many members of staff do you need? Include job descriptions for the main roles in the appendices</li> <li>▶ How much voluntary input will your have? Will most of your volunteers be members or will you recruit elsewhere?</li> </ul> <p><b>Products</b></p> <ul style="list-style-type: none"> <li>▶ Give an overview of what type of food/s you will be producing throughout the year</li> <li>▶ What production methods are you using?</li> <li>▶ Are you going to be organically certified?</li> </ul> <p><b>Operations</b></p> <ul style="list-style-type: none"> <li>▶ Where is your CSA going to be located?</li> <li>▶ How much land do you have?</li> <li>▶ What facilities and building do you have, or need?</li> </ul>	<ul style="list-style-type: none"> <li>▶ What tools and equipment do you have, or need?</li> <li>▶ How are you going to distribute your produce?</li> </ul> <p><b>The Market</b></p> <ul style="list-style-type: none"> <li>▶ What is the potential market for your produce?</li> <li>▶ Who are your customers?</li> <li>▶ Who are your competitors and what impact might they have on you and you on them?</li> <li>▶ Are you going to share the risk of the harvest with your members and how will this work in practice?</li> <li>▶ Are you only selling your produce direct to your CSA members or also at markets or wholesale?</li> </ul> <p><b>Marketing your CSA</b></p> <ul style="list-style-type: none"> <li>▶ Don't forget about this and don't see it as an unnecessary expense. Marketing is an investment and, done well, will ensure you have a good, healthy business. A separate marketing plan will be needed.</li> <li>▶ Include what you are marketing, who too, where, when and how</li> <li>▶ See the Publicity and Promotion section for ideas about how you can market your CSA</li> </ul> <p><b>Community engagement</b></p> <ul style="list-style-type: none"> <li>▶ Are you planning to organise any events to engage local people?</li> <li>▶ Are you going to run any educational activities such as training courses, workshops, sessions for school children?</li> </ul> <p><b>Measuring success</b></p> <ul style="list-style-type: none"> <li>▶ Set out how you will measure success: by amount of produce grown and sold; number of customers/members; number of people engaged in events</li> <li>▶ Think about quantitative and qualitative ways of measuring and recording data</li> </ul> <p><b>Financial plan</b></p> <p>You need to have a detailed budget, cashflow and long-term financial forecasts showing the true costs of production. Income needs to cover expenditure and don't confuse income with profit.</p>
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## What should I cultivate? How should I organize my production?

There are many different factors affecting the choice of the type of production. One of the findings emerging from the questionnaire is the over-representation of "herbs" production among the answers. It is the second most represented production (94 answers, out of n=245), after "vegetables" (158), and long before fruits (77), dairy, meat or cereals. It is in line with a recurrent observation in the farmers interviews, which is that many of the CSA vegetable growers, who did not initially plan to grow herbs, eventually realized it was an interesting addition to their income. Herbs don't require a lot of land and they are usually quite advantageous from a financial point of view. Herbs and wild plants are also well valued by the CSA members, as an add to the veggie share. They are thus quite interesting for small farms.

There are two standard books that can help making the right choices, both from Quebec, Canada. Both deal with the economics of farming, especially crop planning. Both authors are involved, to different degrees, with CSA: Frederic Theriault wrote the book *Crop Planning for Organic Vegetable Growers*, this book gives a field-tested eleven-step planning approach that helps farmers move towards financial sustainability.

In steps 1 and 2, Theriault explains how to set realistic financial goals and figure out how to meet them through marketing outlets.

In steps 3 to 8, he explains how to develop a crop plan. In step 9, the reader learns how to implement the crop plan and to record what actually happens on the field. In steps 10 and 11, a frame is given to analyze how the crop plan fared and the planning for next year can start.

The other author, Jean-Martin Fortier, who wrote the book *The market gardener* (2012), intended to provide a guide for successful small-scale organic vegetable production. In this book the financial feasibility of bio-intensive and human-sized production is meticulously outlined.

1 greenhouse (25' x 100')	\$11,000
Two-wheel tractor and accessories	\$8,500
2 hoophouses (15' x 100')	\$7,000
Cold room	\$4,000
Irrigation system	\$3,000
Furnace	\$1,150
Flame weeder	\$600
Indoor seeding equipment	\$600
Hoes and wheel hoe	\$600
Broadfork	\$200
Seeders	\$300
Rakes, shovels, spades, wheelbarrow, etc.	\$200
Harvest cart	\$350
Floating row cover, anti-insect netting, and hoops	\$600
Sprayer	\$100
Harvest baskets, scales, other equipment	\$300
Electric fencing	\$500
<b>Total</b>	<b>\$39,000</b>

## Typical Annual Sales at Les Jardins de la Grelinette

Vegetable	Total sales	Price	Number of beds per season*	Garden space	Revenue per bed	Number of days in the garden	Rank (sales)	Rank (revenue/bed)	Profitability**
Greenhouse tomato	\$35,200	\$2.75/lb.	4	3%	\$8,800	180	1	1	high
Mesclun mix	\$15,750	\$6.00/lb.	35	18%	\$450	45	2	19	high
Lettuce	\$9,000	\$2.00/unit	18	9%	\$500	50	3	15	high
Greenhouse cucumber	\$8,280	\$2.00/unit	6	2%	\$1,380	90	4	2	high
Garlic	\$6,600	\$1.50/unit	8	4%	\$825	90	5	5	high
Carrots (bunch)	\$6,515	\$2.50/unit	14	7%	\$465	85	6	18	medium
Onion	\$6,075	\$1.50/lb.	9	4%	\$675	110	7	10	medium
Pepper	\$4,400	\$4.00/lb.	8	4%	\$550	120	8	13	medium
Broccoli	\$3,900	\$2.50/unit	13	7%	\$300	65	9	28	low
Snow/snap peas	\$3,840	\$6.00/lb.	8	4%	\$480	85	10	16	medium
Summer squash	\$3,690	\$1.50/lb.	6	3%	\$615	70	11	11	medium
Green onion	\$3,360	\$2.00/unit	4	2%	\$840	50	12	4	high
Beans	\$3,280	\$3.75/lb.	8	4%	\$410	70	13	24	low
Spinach	\$3,000	\$6.00/lb.	5	3%	\$600	50	14	12	medium
Beets (bunch)	\$2,900	\$2.50/unit	7	4%	\$415	70	15	23	medium
Turnip	\$2,100	\$2.50/unit	4	2%	\$525	50	16	14	medium
Radish	\$2,000	\$1.50/unit	5	3%	\$450	45	17	20	medium
Cherry tomato	\$1,930	\$5.00/lb.	2	1%	\$965	120	18	3	high
Ground cherry	\$1,650	\$6.00/lb.	2	1%	\$825	120	19	6	medium
Swiss chard	\$1,600	\$2.00/unit	2	1%	\$800	90	20	7	medium
Kale	\$1,600	\$2.00/unit	2	1%	\$800	90	22	8	medium

The German CSA GartenCoop have made their crop planning public (in German<sup>15</sup>) in order to provide inspiration for other CSAs. It is part of the open source approach that has become an important element for many CSAs.

### Is there a "perfect location" for becoming a financially sustainable CSA operation?

The location is important. The territory where the farm is operating should be analysed thoroughly. If you are still deciding and still have a variety of options, don't make your choice based on the beauty of landscapes, but rather according to the selling possibilities offered by the location. One striking observation in the corpus of interviews is the sharp division between the financial situation of the farms in peri-urban settings, in a selling distance from a major city, on one end, and the farms in a rural setting, with no big city in the neighbourhood on the other end. This is not to say that CSA farms would have no future in the countryside, but rather that they usually face a less extended reserve of committed consumers. For example, the stories heard about members "pushing" the farmers to raise their salaries are true, but they have been heard almost exclusively in the CSA groups that are closer to big cities.

### I just realized I screwed up with the budget, what can I do?

A widely observed mistake can be summed up as follows: *"I built a wrong budget at the beginning. I underestimated some of the costs..."* The questionnaire gives a clear idea of 3 main under-budgeted costs: labour costs (cost of production on the farm), savings for investment and machinery/equipment (questions #54 and #55). In the PhD research written on small scale farms doing CSA in the Walloon region in Belgium, the most negative factor leading to the preparation of a wrong budget was probably the farmers' preference not to share their financial problems even with fellow farmers nor with consumers.

15 <https://www.gartencoop.org/tunsel/node/3808>

According to the CSA farm trainer Klaus Strüber, "*products, annual costs, capital investments as well as the profit and loss account*" are the main items to be found in any CSA farm budget.

1/ First, the "**products**". The first step is indeed to figure out the type and amount of production. How much can realistically be produced? How many people can be supplied with these products?

2/ The second item consists in the **annual costs**. By annual cost we mean all the expenses occurring in a year. Here are all the most significant annual costs: salaries and running costs (e.g. seeds, fuel, lease, electricity, insurance, association memberships, consulting, further education, repairs, loan repayment).

3/ A third item, and perhaps the most difficult to calculate of all factors is the **investments**. It is very challenging to figure out all investments (e.g. machines, buildings, factory equipment, glass/plastic greenhouses). For that calculation, one should be able to determine the price for every single investment. Moreover, the consequences of the investment should also be anticipated: how long is the life expectancy of the materials purchased? How much does it cost every year:  $\text{price/life expectancy} = \text{annual/monthly cost or depreciation}$ . Depreciation should indeed also be visible in the annual cost plan.

4/ The fourth step consists in **dividing all annual costs** (incl. yearly depreciation of investment) by the number of CSA members. The result is a realistic yearly financial fee for the members. In this scheme, the most sensitive issues to solve are: how much labour will be needed by the farm during the next year? How much production will be harvested? How many people should be supplied with the planned products?

Here is a checklist of the different types of costs to be taken into account when calculating the minimum price:

Cost of input for cultivation	Rent paid for land lease
Cost of labour	Interest on value of fixed capital assets (excluding land)
Depreciation	Rental value of owned land and rent paid for lease land
Taxes	Interest

In order to be able to follow tightly the evolution of the input and working costs, it is necessary to take note of the inputs brought into the production process. This includes working time: keeping track, as much as possible, of the time spent on specific products. This is the best way to understand which productions are worth developing, while others could be less rewarding. Nowadays, there are a lot of digital tools such as software and applications that help to keep track of the working hours in a satisfying way. Don't underestimate the help and significance these tools entail for farmers, managers and farm coordinators!

We have to ask:

- How effective are the fixed assets? E.g.: Is the tractor too small/big for the farm?
- How stable are the land/real estate contracts?

- Is the farm profit high enough? (E.g. in Germany a family needs 40.000 €/p.a.)
- Is the farm creating its own capital? (should be, up to max. 25.000 €/p.a.)

The build-up of capital and long-term planning are an issue: One third of the CSAs in the survey stated that they were insufficient in obtaining necessary funds for needed investments in the last 24 months (question # 67).

### **What is Efficiency and Effectiveness?**

The word efficiency is often used carelessly. For example, take the way in which the word efficiency is mixed-up or confused with the word effectiveness. There is a saying "Efficiency is doing things right, effectiveness is doing the right things" and indeed it is true that there is fundamental difference in the meaning of the two terms:

The efficiency of a system means the ratio between the work or energy got out of it and the work or energy put into it. E.g., the more energy we get out per unit amount we put in, the more efficient the system is. Efficiency is dimensionless without any goal attachment. Effectiveness is linked to a goal: it is the capability of producing a desired result. When something is deemed effective, it means it has an intended or expected outcome. Here is a simple example to demonstrate the difference between "effective" and "efficient". In order to stop a fire, water or champagne can be used. Both are effective. Using Champagne is however more cost intensive and thus not efficient. This shows us: Efficiency cannot be a goal in itself but has to be put in a context.

### **How to relate the price to the production?**

During an internal study conducted by the CSA network in Provence, France, one of the findings was that all successful vegetable growers are working with a ratio of shares per full time worker which ranges from 22 to 100. It has become a convention among the Amap vegetable growers in France to consider that 40-50 shares is the maximum one full time staff can produce, and that beyond this amount, another full time worker would be needed.

### **I'm trained to grow vegetables, not to write budgets...**

Generally speaking, among farmers there is a recognized lack of training on budget. CSA farmers are no exception. CSA and other types of SFS, have the tremendous advantage of offering the farmers access to a pool of volunteers with complementary professional skills. During the in-depth interviews, numerous mentions of farmers stated that they rely on a member from the core group, who was able to present the budget to the rest of the members.

As Erwann, an Amap farmer in France, says, « *preparing a budget is one thing, interpreting and presenting a budget to a group is a completely different thing* ». As many farmers have explained in the interviews, it can prove decisive to ask somebody with experience in accounting to help out in the process. Some farms even dedicate some staff time exclusively for this purpose, while others will prefer to work with accounting professionals helping on a voluntary basis. One should check what skills could be provided by the group, and should not hesitate to make use of them.

*"From the day somebody from the group took over the budget planning and presentation part, my CSA members started to understand how much it would take to increase my salary as « their » farmer, and they made such a proposal from their own initiative. Making people understand your budget is key to show the coherence of what you are doing."*

Among the difficulties to make a budget understood, one important aspect is to show on an extended span of time, how it is evolving and what is the development of the farm.

### **I'm afraid of losing members because I'm setting prices that are too high**

This fear of losing members due to high prices has been widely observed in the scientific literature on the topic. It is also observed in the questionnaire, where comments to question #53 ("In hindsight, how satisfied are you with your calculation of the share price at the first ever season of your CSA project?") report this kind of experience:

*"The weekly price is too low for the quality of food and this is part of the reason for our financial problems, which are relatively minor. We solve our financial problems by applying for grants and we have ad hoc fundraising events in the community which also act as 'marketing opportunities' for Farm Membership."*

*"The share price rose continuously. This led to conflict and several members quitting. In hindsight our farmer admitted that he had calculated the price too low."*

*"It was way too low, but as CSA was new at that time in Flanders, we thought people would not join the CSA."*

*"In the first season we did not have a good model for compensation to the farmer, this was in place in the third season. In all other aspects the share price was well calculated."*

This competition felt by the CSA farmers often results in prices that cannot cover all the costs. However, one of the findings from the questionnaire is that **a majority of the respondents report an experience of price rising** (question #57), and that among them, a large majority states that **"members accepted and understood"** (55/75). 10 out of 75 explain that *"members wanted the price to be risen"*, and only 2 out of 75 report that *"members contested and many left"*, and 4 that *"members contested but stayed"*. Of course, one should be careful about not generalizing to all existing CSA. The respondents are probably among the most convinced and most ardent CSA groups. Yet, the questionnaire shows that **price-raising is a widespread experience, and that it can be handled in a successful way**, if communication is conducted in a transparent way. Laurent, a farmer from Paris area, recalls the experience he had of price-raising, from consumers' initiative:

*"Historically, when we started in 2006, we were among the first Amap (CSA) in the region. There was no tool to calculate the share's price according to the expenses. We didn't have enough experience. So, we started a bit randomly with a 15 euro share, making it clear that we were closer to a kind of shop rather than to the Amap as they should be. Amap is about harvest sharing, there should be a 2-way-solidarity. By then, I didn't have any consolidated figure to give, I was not able to make a provisional budget... The calculation was 60 Amap shares X 15 euro/week. It was allowing me just a tiny margin. The first 2 years were quite good in terms of production. Then during the General Assembly to start the 3rd year, the question asked by core group members was "how much should our farmer be paid?". They decided to go for a 2,000 euro monthly net salary. That was really more than I would think, clearly above the minimal wage I could dream of... Of course, this way of calculating requires to be fully in Amap (100% selling through the CSA). Nowadays, for new entrants, in Paris area, it is not necessary to go through the*

*same path again. We have enough farmers' experience to share. One thing is that it is a bit difficult to ask Amap members to pay also the investment on the farm. We cannot ask them to bear the whole burden of new investments and mortgages... "*

**I'd like to try the bidding of the German CSA model. How should I do?**

Bidding rounds are a widespread part of the SoLawi concept. They give an opportunity for the whole community to get together, to conduct transparent discussions about the costs of the SoLawi endeavor and while also offering space for negotiations about the individual monetary value of the share.

After some years of experimentation, SoLawi Mannheim-Ludwigshafen (MaLu) is now using a procedure that works well.

**1st phase:** 4 months before the beginning of the SoLawi year, an email is sent to the members. **Members are asked whether they want to continue their membership**, and if not they are asked to cancel their membership within the 3 month cancellation period. This gives a first hint on the number of members for next year's calculations. It is mandatory to answer these emails. If someone doesn't answer, there is usually an attempt to establish contact by phone. If there is still no answer, this person cannot be included into the bidding round.

**2nd phase: A more detailed flyer is sent to all becoming members** at the beginning of the month preceding the bidding round.

**Each bidding round is one week long and takes place online using emails and phone.** No average prices (of the shares) are communicated only the total costs of production and how much is still needed. The bids are placed utilising yearly amounts avoiding discussion with monthly values.

**A maximum of 5 rounds is planned**, but until the present day this has not been needed. After a round has been successfully conducted, the general assembly is held. This strategy led to a good acceptance of the farmers' needs and also to individual monetary contributions according to each one's possibilities.

**Our group would like to set prices that would be fairer for the farmer but also for CSA members: how should we do?**

Les Jardins de Cocagne is one of the first CSAs in Switzerland, founded in 1978 in Geneva. It is organised as a cooperative. A price-scaling scheme has been set up. Members get a share per week, 11 months per year. Principle: each contribution is proportionate to the average gross annual incomes of the adults. The 2012 General Assembly decided that the vegetable share should increase automatically each year by Fr. 15.- for average share and by Fr. 10.- for small shares. This increase is already accounted for in this scale.

If there is no answer from the new member, he/she will be considered to

	Income per year	2018 scale	
		Big share	Small share
		1'335.-	1'000.-
<b>1</b>	Less than 20'000.-	1'360.-	1'020.-
<b>2</b>	from 20'001.- to 28'000.-	1'385.-	1'040.-
<b>3</b>	from 28'001.- to 36'000.-	1'410.-	1'060.-
<b>4</b>	from 36'001.- to 44'000.-	1'435.-	1'080.-
<b>5</b>	from 44'001.- to 52'000.-	1'460.-	1'100.-
<b>6</b>	from 52'001.- to 60'000.-	1'485.-	1'120.-
<b>7</b>	from 60'001.- to 68'000.-	1'510.-	1'140.-
<b>8</b>	from 68'001.- to 76'000.-	1'535.-	1'160.-
<b>9</b>	from 76'001.- to 84'000.-	1'560.-	1'180.-
<b>10</b>	More than 84'000.-	1'585.-	1'200.-
	Support member	1'715.-	1'310.-

be class 9. The class level can be changed if you have children or dependants: minus ½ point per child or dependant ( ½ point is not enough to change class). See below the table.

### **How can I do CSA without working too much?**

During the two last decades, numerous social studies have been witnessing an increase in the appeal for regular holidays among the farming population<sup>16</sup>. The ability to take a break from the work is also becoming an essential part of the concept of sustainability. Overworking is, of course, unsustainable. CSA farmers are no exception in this global social trend. Yet, the path towards fulfilling the growing desire for more holidays is not easy. Let's have a look at the questionnaire: in the question about the positive or negative influence of CSA, the influence of the CSA model on the farmer's workload scored the highest rate of "negative influence" answers. There seems to be an acknowledgement, even among the most convinced CSA actors, that the farmers might tend to work even more in the CSAs. As one of the French interviewees put it, "*l'Amap est un métier en plus*", "*CSA is another business on the top of farming*".

Most of the solutions found to this problem are related to planning ahead. In *Happy Onion Farm* in Malmö, Sweden, the decision was taken to set the number of working days, working hours, and wage as part of the budget. In this initiative, the farmers charge *much more* than other CSAs but they know there are people that can and will pay it. Capping the hours and setting a liveable wage from the beginning prevents burnout.

Another solution is to work in association with another farmer. Even if the type of production is not exactly the same, with basic training, associated farmers can easily help each other.

As a joint initiative of farmers and consumers, ortoloco follows a simple principle: the cooperative ortoloco leases 1.4 hectares of arable land from the Limmattaler organic farm "Im Fondli" and cultivates over 60 types of vegetables under the guidance of permanent gardeners. The vegetables are harvested, distributed and consumed weekly by the participants. The members make the important decisions together at the cooperative meetings. By working in the company, consumers declare their responsibility. This creates a lively relationship with the products.

For all members working on the farm is compulsory. By doing so, work comparable to 5 full time employees is done by the members who each invest 5 half days a year. Some effort is put into making the working days as nice and funny as possible. Often music is played on the fields. The work assignments are organized by a specifically programmed tool called "[juntagrigo](#)" that has some more functionality for management of personal data, delivery points and shares of the agricultural cooperative ortoloco.

### **How can I anticipate risks and unexpected events?**

In the pure CSA model, the risks and benefits of the farming activity are shared. This implies that, if a farm is facing a major issue, the shares could well be empty for several weeks. In practice, however, this rarely happens. For example, Lucile, a goat cheese maker from France says: "*I don't feel authorized to play fully the game of Amap. Theoretically, there should be a share of responsibilities; this should be the starting point. I chose not to go to the farmer's market during last winter, even though I was facing major difficulties, because I wanted to fulfil my commitment to the Amapians. Last winter, I produced 10 liters of milk a day, instead of 30... With 30, I usually have enough for the Amap and some*

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16 Bertrand Hervieu & François Purseigle, *Sociologie des mondes agricoles*, Paris: Armand Colin, 2013, pp. 184-185.

*more cheese to sell on the markets. Should I have kept going to the market and stopped providing CSA shares? I chose not to play the Amap game fully... I couldn't imagine myself telling the Amap members: "well, dudes, you paid three months, and you won't get anything at all". Yet, normally, as the Amaps were initially designed, it should be like that. Personally, with the disease in my goat cattle, I had to cover the costs of the veterinary, the loss of animals... Actually, one of the groups spontaneously raised some solidarity funding for me, but I didn't dare to ask the others".*

Another couple of farmers from France reported the creation of an emergency fund from the beginning, where a small amount of money (around 1% of the budget) was treasured every year. This fund proved very useful, as their first child actually turned out to be twins...

Another good example of risk anticipating scheme is with *Les Jardins de Cocagne*. There are three complimentary systems securing investments and some funds.

The first mean for cooperative stock is through **social shares**. In order to have some room for maneuver, each new member has to buy a social share. Ideally, each member should buy at least 4 more shares in the following years, in order to own at least 5. During the 1993 General Assembly, the members decided that the value of the social shares would lose CH 5.- per year until a limit of CH 25.- as a residue, but would still remain reimbursable on demand if a member resign from the cooperative. This system has proven that members quitting the project for one reason or another other would often not ask for the reimbursement of their share.

The second mean for securing funds is through **loans by the members**. CH 60,000.- have been collected this way. These medium or long-term loans would be of a minimum of Fr 500.- per person, and there would be no interest.

The third mean was **a deal with the Alternative Bank that covered the overdraft** in order for them to finish the year.

### **3.2. Social education and community development to achieve financial sustainability**

#### **Overcoming the tension between moral and market economy**

As the work of Humphrey in the UK and Galt in the US have shown, there is a tension between the aspirations of solidarity on the one hand and the price and convenience for the consumer on the other hand. The success of the CSA depends on the ability of the initiative to address this properly in the design of the CSA. Either to find ways to involve the community properly or find ways to run the CSA without the reliance on the active participation of the members.

#### **How can I motivate the members to help?**

The SoLawi Dalborn in Germany plans events for peak-time help on the field in order to make member participation more fun and get more people for this important work (e.g. weeding in spring). Furthermore, they have started an action cafe for 3 hours on the farm, parallel to the pick-up times, that includes coffee and cake as well as a little seed-bazar. Apart from having a chat and getting to know the farm better many are incentivised to help a bit as well. Another event is the "end of work day weeding" that gives some relaxation through farm-work.

#### **How can I educate the consumers to the cost of farming?**

One of the best ways to educate consumers is to get them engaged in the farm activities. *Kristiansand Andelslandbruk* in Norway is an example of a community-run farm that encourages everyone to take action. Even if members cannot help with the farming activities, they can help with other aspects of the farm operations (packing, delivery, communications... etc.).

Too often, the farmers' self-confidence is too low to articulate their needs and to inform consumers. But **a group coordinator can help a farmer through delicate processes, including increasing the price of the share.** For example, in the Czech initiative Cooland, at the end of a season, the CSA coordinator once asked the farmer, whether the share price covered all the costs, because the price had been at the same level for several years. In the discussion, the farmer admitted that he wanted to raise the price to cover the rising costs of transport, but he did not know how to tell the shareholders. The coordinator organized a meeting between members and the farmer, but the attendance was too low. The co-ordinator therefore prepared a questionnaire describing the situation. 95% of the members, who participated on voting, agreed to the proposed price change, or even suggested a higher price. The next season, the price was increased by about 20%, which helped the farmer cover not only travel costs, but also better salary for workers (CSA CoolAND).

The interviews reflect two trends within the movement that are sometimes difficult to combine. Part of the interviewees insist on the need to stress the real cost of farming. They tend to justify higher costs in the CSA, because the conventional distributors are highly subsidized due to their lobbying capacity. In their perspective, it would be impossible to compare prices that are produced by completely different mechanisms: the logic of the market on the one hand, the logic of fair pricing for the farmers, on the other hand.

Instead, another part of the movement believes that CSAs can compete very well. For example, in Marseilles, a local CSA network (*Les Paniers marseillais*) investigated the prices

offered by different operators during one full year. Each week, the price of a share sold through 14 out of 30 *Paniers marseillais* groups was compared with the price for a basket with an equivalent content from an organic shop, and from a conventional supermarket. The result is surprising. The *Paniers marseillais* shares costed 15 euros each. It included an average of 10 items (maximum: 18, minimum: 7)<sup>17</sup>. Their average weight was 6.7 kg (max.: 20, min.: 3.9). For the same contents, the average price in the specialized organic shop was 30.31 Euros, which is 102% more expensive than the CSA share. Moreover the share was always (during 42 weeks) less expensive than the organic shop equivalent. The comparison with the conventional hypermarket products is also striking: during 28 weeks out of 42, the hypermarket was more expensive. The average price for the hypermarket equivalent was 19,26 euros, that is to say 29% more expensive than in the CSA. A third comparison was drawn with a restaurant manager sourcing its food from a large scale retailer: the prices the restaurant had to pay were 27% higher, average, than the CSA prices.

This study was conducted to reply to the frequently heard assertion that "*organic food, including CSA food, is expensive and only yuppies can afford it*". This study proves that the reality might be a bit different, even if the first function of a price in a CSA is not to be low or attractive, but to be fair.

### **How can I get consumers to understand what I'm talking about?**

According to the answers to question #44 from the questionnaire ("How important is the involvement of the members for the overall functioning of the CSA?"), consumers' involvement is almost never perceived as a burden, but rather as a welcome addition (42%) or even as an essential part of the financial sustainability of the CSA (43%). Nevertheless, farmers might have the feeling that consumers don't really understand what they are speaking about. Furthermore, question #47 ("How challenging it is to build your community in each of the following aspects?") shows that respondents find it challenging to find time for "*social exchange and education*" (69%) and for "*motivating members to contribute their time*" (77%). The questionnaire nevertheless reports several ways to get members involved and to raise their awareness.

In half of the CSA groups represented in our sample (question #43), the membership agreement may also include some participation to different actions: required working days on the field (28% of the responses), participation to distribution and delivery (21%), to the steering committee (18%) or to packing (12%).

The price of the share is a usual topic for discussion for half of the CSA groups responding to the questionnaire. In many groups, it is however rather perceived as a contribution than a price. It is either discussed in assembly with farmer attending or negotiated between the farmer and the CSA board (question #45). The exchanges on this topic are preferably conducted face-to-face with the whole group or at least through newsletters etc (question #46).

Participatory Guarantee Systems (PGS) as practised in some *Gasap* in Belgium and *Amap* in France are "*locally focused quality assurance systems. They certify producers based on active participation of stakeholders and are built on a foundation of trust, social networks and knowledge exchange*" (IFOAM, 2008). They can be a way to involve consumers much more in farming operations.

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<sup>17</sup> Brumaud Nicolas, Floriane Bolazzi, *Etude comparative du prix des fruits et légumes biologiques en Circuit Court Solidaire Sans Intermédiaire (CCSSI) et en grande distribution. Synthèse*, Marseille: Paniers Marseillais, 2014, 7 pages.

## How do I organize exchanges of products with other CSA farms?

In the Czech Republic, for example, CSA farmers share not only their own experience and knowledge, but they also help each other exchanging crops or joining forces to purchase seeds and seedlings. This allows them to reduce entry costs and also offer more diversified vegetables for shareholders. *"For example if one farmer produces a lot of onions, he can change his surplus for another product that might be missing from his share. This works well at the regional level"* (Svobodný statek, Karel Tachecí, KomPot).

## How can I organize self-harvesting on the farm?

*Le Champ des Possibles*, in Belgium, is a trust -based organic vegetable growing and self-picking project. The 130 members pay a yearly 275 euro lump sum for an adult and 13€ times the age of a child (for the same quantity). All the production is dedicated to the group members, so there are no other selling channels. The members have a free access to the field as there is a gate code. They come and collect each week their share whenever they want to. The field is always free of access for them.

On the spot, all the possible harvests are listed on a blackboard, and a system with flags allows the members to know what is to be picked up. All the necessary tools are available (knives, spade shovels, forks...). A yellow flag means *"please pick-up according to the blackboard"*, a red flag means *"please pick-up as much as you need"*. According to the farmer, there is no issue with damaged vegetables, wrong vegetables or even thieves!

## How to make the relationship between farmers and the group even stronger?

You believe communication skills are key to being a successful CSA farmer or a successful CSA group? You are absolutely right. Actually, it might still be even more the case than you think. In the Southern part of France, where Amap/CSA have been experimented since 2001, factors for success and factors for failures for Amap farmers have been identified in a report written for the Provence Amap network in 2014. The socioeconomic situation of 19 Amap farms in the region was studied. 2 interesting schemes were subsequently created, one showing the factors for failure, the other the factors for success.

<b>Amap farmer: factors of success</b>	<b>Amap farmer: factors of failure</b>
<b>Installation context</b> Support from relatives; Professional advice; Support from installing organizations; training.	<b>Installation context</b> Lack of professional advising (by farmers or technicians); Remoteness from relatives, family; Lack of training, experience; The project is not realistic; Lack of clarity of the project.
<b>Personal characteristics and qualities of the farmer</b> Resilience; Ethics; Communicating skills; Curiosity; Technical skills; Works a lot/ resilient.	<b>Farmer</b> Lower quality of life; Unfair income; Not transparent; Not open to discussion; Low ability to listen; Is not looking for advice.
<b>Strategies to make the enterprise work</b> Organisation; Funding; Marketing/ selling; Communication; Networking.	<b>CSA</b> Contracts are missing; Lack of transparency; Unknown way of calculating the prices; CSA members are not satisfied (quality); Bad communication between the farmer and the group.

	<b>Elements that can't be controlled by the farmer</b>
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	Slaughtering houses are far away; Reduction of CAP payments; Unavailability of land
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It is impressive to see how many of these factors are actually **social factors**. They relate to networking, mutual support mechanisms and communicating with the group. All successful farmers are well connected to institutions, farmers' organizations and networks. A key issue is of course to overcome the contemporary disconnection between consumers and farming, that creates a lot of issues. Reconnecting requires to get people to come to the farm more regularly. In order to do so, farm visits can for example be organized. To see how to organize events on the farm, please check the **Community Building module (module #3)**.

*Hof Pente* in Northern Germany is a farm with more than 450 years of history as a family farm; it became a CSA in 2011 and currently has 290 members. 50% of the 52 ha of Hof Pente is owned by the farming family, the other half is rented with an uncertain future: what happens when the landowner dies? New ideas were needed in order to secure the rented land for the future. The CSA community is in close contact with the CSA farmers and has taken on more and more responsibility over the years. In this case, a small working group composed of engaged CSA members and representatives of the farming family has developed a model for a community trust to own the land and make it accessible for the CSA farming.

The cultivation of the CSA community is essential for the whole process. What has helped in this respect is that the Hof Pente has followed an approach that has placed high importance on educational and recreational concepts since the beginning of the CSA. These include regular work with children (Kindergarten group), regular events, lectures and farm tours, community workshops and activities, vocational and educational training as well as newsletter and publications. The CSA has thus become a place where you not only get your daily food, but where you and your children also spend considerable time learning - the CSA plays an important role in community life - it is a place where members also invest to ensure its continuity!

At the solidarity-based enterprise Alter Conso from Lyon, France, the weekly deliveries from more than 50 organic producers from around Lyon take place in 14 spots in the city, e.g. in social centres, bars or libraries. Here, every week there is a different producer who answers questions from the consumers who get to know all of their suppliers over time. This creates bondage and because there are many different producers, it does not pose too much stress for them. On the contrary, the small-scale farmers are happy to establish solid relations with their customers. This bond creates solidarity, e.g. after a storm the consumers came to the farm to help rebuild the polytunnel.

If you want a stable number of members in CSA, members have to be satisfied. Their satisfaction is largely related to the understanding of the CSA principles and the functioning of agriculture as such. How to bring agriculture closer to people who do not even have their own balcony and do not even have time to visit a field? *"In our group, we started to send our members a weekly "message from the field". It's a short report about what's happening on garden, how it looks like with a crop. This simple thing deepens the understanding of seasonality and, in the case of a worse season, people might be more prone to accept that the shares are smaller".* (Sarka, Community garden KomPot)

### **How do I deal with an important turnover among members?**

Member recruitment and retention seem to be a challenge in part of the interviewed CSA. To question #39 of the questionnaire, "*Do you have issues finding enough members*", 21% of the respondents respond with "*it is always an issue*", 13% "*often*", and 22% "*sometimes*". This means more than half of the respondents are facing difficulties recruiting members. This might be confirmed by question #42, about the turnover, meaning the number of members to be replaced for the new season. It is difficult to interpret the membership turnover rate alone: the interviews tend to show that **CSA groups close to bigger cities will experience a high turn over (up to 30%) without suffering from it, because the pool of committed consumers is deep enough to provide new members**. Still, 39 of the 104 responses report a turnover of 25% or more, which can in some case result in substantial efforts to recruit enough members. The proportion of obviously endangered CSA is quite marginal: 12 groups have been experiencing a turnover of 40% or more.

Another question on this topic was about the type of "recruiting strategies" used in the CSA (question #40). By far the most common answer, almost unanimously, was "word of mouth", meaning through direct personal, face-to-face contacts between members, or supporters, and conscious consumers. This clear #1 answer is a way to stress the need for interpersonal contacts. Even if the first contact is made via an email from an aspiring member, there should be a direct contact, preferably on the distribution spot, to make "applicants" aware of the solidarity-based and voluntary dimension of the CSA model. Several other answers gathered a significant amount of positive answers, without challenging the "word of mouth" option: online activities, which include, prominently, social media and website, were chosen by about half of the respondents. An equivalent amount of respondents chose informative public meetings, and information stands at fairs or markets. 40% chose "networks", e.g. local CSA networks or organizations.

The question was framed as "member recruiting strategies". On the field, CSA members are also deploying "member retention strategies", or facilitating strategies to keep the spirit of community alive.

Cooking comes naturally up as one of the activities linked to the CSA activities. The Spörgelhof is situated outside of Berlin, they used some of the vegetables produced in the CSA to run a public community kitchen (VoKü) at a community centre one day a week in Berlin. This enabled to use excess vegetables, create a regular meeting point to connect the CSA with the city and the prosumers but also to spread the word about the CSA and recruit members.

Another French example: « *As a way to have fun together while doing something useful, we decided to buy some kitchen equipment together. Then, we started to organize cooking sessions, where we learn how to prepare preserves with products from the farm, but also how to cook finger foods, apéro, from the share* » (BP16) Cooking sessions (Amap des prés neufs, Jocelyn)

### **3.3. Resources and logistics**

Questions #50 and #51 about the "most pressing problems regarding financial sustainability" point out to the "lack of capital for investment" as the most pressing problem regarding the financial sustainability of the responding CSA farms. How to get access to the necessary investment funds, without endangering the long-term viability of the farm?

#### **How can I access funding for my CSA farm?**

In contexts where the CSA model is well recognized, and where written agreements can be displayed, doing CSA can make access to bank loans easier. Two farmers from the Paris area, in France, testify that the fact they were planning to start farming for CSA groups helped them get a loan from their bank. Indeed, with all the one-year-long contracts collected from their members, they could show that they were guaranteed to have customers for a mid-term period.

Of course, this is an ideal situation, which might exist only in a fringe of the French context. For decades, the bank loan systems for farmers have mainly been thought of in a agri-industrial, productivist frame. A large part of the small-scale farms have been excluded from bank loans because they are supposedly too small, or too atypical, to succeed. For a lot of these starting farmers, being excluded from bank loans results in a "double penalty", as the professional advising organizations will not consider the starting farm as a priority farm to support. The scheme below (from *Une autre finance pour une autre agriculture*, p. 114) sums up most of the financial challenges that occur during and after setting up a farm.

<b>Before setting up the farm</b>	<b>After the setting up phase</b>
Needs of personal contributions and / or guarantee for : <ul style="list-style-type: none"> <li>• Getting a loan with banks;</li> <li>• Investing in fixed assets (buildings / equipment / tools / etc ...);</li> <li>• Investing in operating expenses.</li> </ul> Needs of cashflow to : <ul style="list-style-type: none"> <li>• Compensate the waiting period before getting a grant (from 3 to 6 months).</li> </ul>	Needs of personal contributions and / or guarantee for : <ul style="list-style-type: none"> <li>• Getting a loan with banks;</li> <li>• Investing in the pursue of the operation (maintenance, hardware replacement, purchasing land...);</li> <li>• Investing in the development of the activity (processing, marketing...).</li> </ul> Need of cashflow to : <ul style="list-style-type: none"> <li>• Cope with emergencies (thefts, weather-related problems ...);</li> <li>• Required working capital funds.</li> </ul>

*"The need for stable resources is very important for the long-term sustainability of farms. Before being able to generate an income from his/her work, a farmer must generally spend some money beforehand. This difference between the moment when he/she pays the suppliers and the moment when he/she can cash in the income creates the need for a working capital. This working capital is even more important in farming as the natural cycle is long. What is more, to grant a credit, the banks evaluate the reimbursement capacities of the borrower. Generally, the banks demand that the borrower brings 20% of the investments. Personal contributions of the project leader, taken from his/her own patrimony are therefore fundamental. But agriculture-based projects leaders seldom have the necessary amounts, what is more when they start their farm without state grants or if taking over a farm that wasn't owned by his/her family."*<sup>18</sup>

18 *Une autre finance pour une autre agriculture*, p. 123

The Incubator-Farms model, like those practised in the French Reneta network, helps newcomers to start their farm business. These models supply a close connection to an already existing farm in terms of access to land and infrastructure, as well as mentorship with a local farmer. The access to the local market (or, alternatively, to the prosumer community as in CSA models) helps the new farmer test the business model and the general idea of farming. Additionally, they provide a secure environment in which to design and start a working farm because they have the chance to slowly adapt to the regional, ecological and social conditions, and they can use the local facilities, utilities and land. Either as a model to facilitate farm succession or as a training period with the benefit of already producing and selling ones own products, incubator farms represent a fertile ground to motivate not only trained farmers and gardeners, but also new career jumpers to venture into independence. Incubator-Farms can play a significant role in the process of establishing new CSA projects through pairing resources with (wo)manpower in terms of newcomers who are willing to farm but have a lack of capital and land. They can also pair farms with unused resources and the desire to diversify not only the farm, but also daily life with new ideas and new people.

Ile de France, the region around Paris, is one of the most densely populated in France. In the early 2000s, rising interest for quality local food has meant a rapid development of AMAPs, the French CSA groups. So much so that AMAPs had more interested consumers than available farmers. In the region, new land is scarce and very expensive. But because large-scale crop farmers dominate the agricultural sector, very few growers are entering farming. In this context, the local AMAP network had the vision of supporting the establishment of new farmers: by training them, supporting and securing their entries into farming, organising consumers' solidarity, and securing land. Terre de Liens, a civic movement with the mission of preserving farmland and securing farmland for organic and peasant farming, bought a 73-hectare farm, and then rented most of the land and building to a new organic farmer and set aside two hectares which were rented to a newly established incubator farm: *Les Champs des Possibles*. Over the years, this place has developed new trial sites and has expanded its activities. It now offers various options for trial farming: from a few months to three years, with various productions, on the incubator farm site, or on existing farms. Since 2009, Les Champs des Possibles has "incubated" 40 prospective farmers and led to the installation of 14 new farmers. Parallel to this, AMAP, Terre de Liens, the local organic Agriculture Association and *Les Champs des Possibles* started working more and more closely together. They ended up setting up an informal platform to promote entries into farming in the Ile de France area: the *Pôle Abiosol*. Potential farmers receive support from all sides: the organic association provides training and mentoring on agronomic skills, the AMAP network on distribution systems and community connections; Les Champs des Possibles on trial farming; and Terre de Liens on finding and securing land. All activities are offered free of charge, thanks to the public subsidies received by the members of *Pôle Abiosol* for this programme. Between 2008 and 2015, *Pôle Abiosol* has directly supported the entry into farming of 60 new farmers in Ile de France. Increasingly, it also advises local authorities seeking to promote local food systems and to support new farmers. The action of *Pôle Abiosol* contributes decisively to renewing the generation of farmers in the region, and to developing the offer of local organic food, particularly through AMAPs.

CSA is part of solidarity economy, and there have been numerous examples of crowd-funding for CSA within the movement. For example, the French CSA network has been giving visibility to independent associations linked to CSA, called "Cagnottes solidaires", with 0% interest loans for farmers, which are to be set in 3 steps: the first step consists in setting up a legal entity, different from the CSA, to collect contributions from the members.

During the second step, members make their contributions to the fund, with a right of repossession. The third step consists in making the collected funds available to farmers in need, at an interest rate of 0%

To successfully start a CSA, investments are crucial and necessary. Investigations have shown, that the larger the primary investments, the better the general impression of the running farm in the long run (Karl, Rote Beete, 2016). If there is little or no equity capital, which is quite common among new starting CSA initiatives, some banks offer the possibility to provide credit for community pledges. So if you want to do investments of 10.000€ you need 10.000€ in pledges (e.g. 20 members that pledge for 500€). The initiative communicates the needs for this investment to its members and organises the creation of the contracts for the pledges of the members with the bank. If the initiative fails in the future to repay the credit, the members have to pay back their part of the credit. This credit is usually more expensive than asking for direct credit, or for initial cooperative shares from your members, but it is quite easy to organise. Ask your local cooperative ethical bank for this possibility, if you don't know any, ask your regional network for contacts.

The Luzernenhof CSA is a classic and diverse farm with 32 ha with vegetables, grains, cows, pigs, bees, apples and cheese production outside of Freiburg, Germany. They have undertaken a hugely successful crowd-funding campaign for the purchase of the land and buildings in a ground-breaking combination. The CSA cooperates with the Kulturland cooperative to "free" the land through community investment and with the Mietshäusersyndikat to do the same with the real estate (the farm house). Because of the different nature of real estate and agricultural land two different but like-minded organisations are involved. The campaign was set to "re-invent agriculture" - there were 2 movies produced, one short, one long<sup>19</sup> and several events organised in and around Freiburg and articles were published in the local newspapers. Finally, over 140 people invested almost 1 million Euro for land and housing. Through this they became part of the ownership structure of the Luzernenhof, however with the condition that neither land nor farm building can ever be used for speculation, that is to say they have been taken out of the market. Along with the campaign came publicity, now all 200 shares are taken.

### **How to cooperate with other farmers?**

One major obstacle hindering the financial sustainability of CSA could potentially be the lack of solidarity between farmers. In some countries or regions, CSA farmers might perceive each other as competitors, and therefore might not even be able to consider sharing or joined ownership of tools, or sharing costs or logistics.

When we look closely at the situation at the grassroots level, we can actually witness plenty of stories of farms helping each other at the beginning or in difficult phases. The story of "Lumière des Champs" CSA and "Ferme du Joran", in Switzerland, might sound familiar to many young CSA farmers.

Lumière des Champs CSA was established 10 years ago. It is a non-profit organisation where members pay a CH 75.- (66€) annual membership fee, plus a fee for the 48 times (weeks) of delivery for the share. The fee is 48 x CH 21.- (18€) for a small share or 48 x CH 30.50 (26€) for a larger share. They work with 13 organic producers, the main one being the vegetable grower. There are two part-time employees: a coordinator and a person in charge of the delivery of the shares to the pick-up points. Since the beginning, the annual

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<sup>19</sup> [https://youtu.be/\\_14vjzf83lc](https://youtu.be/_14vjzf83lc)

fees had been put towards a solidarity fund with which the CSA farmers and the core group are looking for another project to support.

The « Ferme du Joran » is a new collective farm, with about nine farmers on 8.9 ha. They produce vegetables for a CSA, some soybeans for tofu making for another CSA, some corn for polenta and some ancient grains. This farm was badly hit by a storm, and most of their six greenhouses were destroyed.

The Lumière des Champs steering committee decided to support "Ferme du Joran" by giving them CH 1 000.- with no counterpart.

Antonis Diamantidis is a Greek agroecological farmer who is involved in solidarity food system approaches. His main products are organic oranges, but he also cultivates vegetables and herbs. He has established connections with a French AMAP who bought from him excess production at a fair price, which ended up being a mutually beneficial arrangement.

Tamar Grow Local is an initiative for fostering local produce based in the Tamar Valley in south-west England. Due to its mild locale climate which enabled early and abundant harvests, this region has a rich tradition of a market garden economy dating back to the 16th century. But during the phase of industrialisation and globalisation this local food economy underwent a rapid decline. In 2007 Tamar Grow Local was founded to counter this trend by making ecological small-scale farming economically sustainable again. With this clear mission, the organization has developed a series of interrelated projects that provide marketing and distribution, cooperative development, shared infrastructure, and land access for agricultural producers throughout the valley.

Tamar Grow Local was one of the very first user groups of the [OpenFoodNetwork](#) foodhub management software from Australia. This open source software enables the collective management of marketing channels for small (including the smallest producers). The farmers enter the amount of the produce into the system where it is offered on a shopfront (the foodhub) on the <https://openfoodnetwork.co.uk> portal. Using the concept of order cycles consumers can order online and pick up the food from pick up places or get it delivered to their front door. Tamar Grow Local also implemented some wholesale functionalities into OpenFoodNetwork to be able to better sell to restaurants and canteens. This same attention paid to information flow and access is designed into other projects, such as the Harrowbarrow and Metherell Community Orchard, which benefits from the intentional cooperation of three different food producing groups: the apple orchard itself, a beekeepers' cooperative, and a pig society. Each entity achieves its individual goals while providing social and ecological benefits to the others. For example, the pigs feed off the invasive understory of the apple trees, which aids in orchard management. At the same time, beekeepers are given a space for bees to forage and, in turn, the bees provide pollinator services throughout the farm ecosystem. By virtue of sharing the same space, projects that might otherwise operate in isolation are instead structured to receive mutual support from one another, thanks to backbone organizing from Tamar Grow Local.

The Luzernenhof CSA has cheese production as part of their production: It creates added-value, fits perfectly in the circular economy of the farm and is a welcome addition to the share, especially in winter. They also offer meat, juice, vegetables and bread.

## **Public Subsidies**

Of course, in an ideal situation being financially sustainable would mean the farm has zero dependence on public subsidies and thus is fully independent. But the reality is a bit different. Financial sustainability should not be approached and understood in absolute terms ("are you sustainable, yes or no?") but rather as a continuum. What is described here are paths to improvement that allow a farm to move towards increasing their financial sustainability. In this context, your relationship to subsidies will be different if you are, for example, a dairy farmer (one of the most challenged farming sectors) or a cereal producer.

EU Common Agricultural (CAP) subsidies were initially set up to guarantee food security in Europe and as a compensation for too low world market prices for some products. Unfortunately, the latter situation has not improved, on the contrary. Moreover, we can see the lack of capital for investment is the largest pressing financial issue for most of the farmers, and the most under budgeted item for CSA farmers. As Fergal, a vegetable grower from Ireland, puts it: *"there is thus a need for supporting mechanisms for direct selling systems like CSA, at least so that installing farmers can start their operations in safe conditions, because this model generates a lot of social and environmental benefits for the communities"*. Thus, subsidies are necessary for some types of production and should be thought of as facilitating a long-term project, rather than being an unlimited and permanent source of income.

## **How to organize different marketing channels on the same farm?**

Risk sharing is often mentioned as the core value of Community Supported Agriculture. Theoretically, the best fitting model that respects this value should be farms selling 100% through CSA. But various studies suggest the truth is a bit different, and many farms doing CSA (the large majority in some countries) have to adapt and combine different marketing channels. For some, it is sometimes a vital necessity. For others, it is a way not to be too dependent on one distribution channel. In any case, whatever solution is chosen, it should be carefully handled, especially in the way it is explained to the partnership members.

In our survey, two interesting features came out from question #59 *"About what percentage of your CSA farm income is from the following market channels and services?"*: The first result is that, only a third (25/73) of the respondents reported 100% of their sales through the CSA model, meaning that the majority of farms doing CSA are also selling through other channels. The second result is that 65/73 reported getting half or more of their income from the CSA. Only a small margin use CSA as a kind of side activity, for less than a half of their production. The question remains: when CSA is not the only selling model, how does one articulate the different sources of income together?

## **How to combine CSA with different activities and income?**

Financially, few of the CSA farmers in Hungary are in the green zone, unfortunately many are in the red zone. Money for investment is lacking. If the farmers say that they are doing OK, it might mean that they did not pay themselves (and others) well. Many of the CSA farmers don't really calculate the prices correctly, they also give more vegetables than required to the consumers, worrying that they might lose the customers. Consumers might, however, be willing to pay more. In Hungary there are many small farms. Some farmers want to follow the AMAP model with no diversification (i.e. no other direct marketing). The farmers are often shy and don't communicate their situation properly.

According to the in-depth interviews that have been conducted, it seems almost impossible for Czech farmers to be solely dependent on the income provided by the CSA. But is it

really necessary? By contrast, the ability to create an appropriate mix of incomes from different sources can be a good strategy. For example Vojta Veselý (Ecofarm Biostatek) combines three basic incomes: CSA, other farming activities and educational activities. CSA is the best way to sell sheep cheese. At the same time, the farm produces honey, meat, vegetable sauces and other products, which they sell at events for which they provide catering. The farm is also a place that develops social agriculture. European volunteers and various excursions come to the farm several times a year. Combining these diverse incomes give the farm greater stability and financial sustainability and to Vojta a greater diversity in life activities.

Lucile, from Normandie, France, also recalls "*what a breath of fresh air*" it was for her to realize that she could join a kind of "*Air BnB*" specifically for stays on the farm. As a cow and goat cheese maker, she had to face several sharp difficulties during the last year, including a virus that killed some of her cattle. Even if some of her Amap groups had been offering support, it was not much compared to the new income generated by the online hosting system. Beyond the financial aspect of such an operation, Lucile believes this is also a way to transmit her passion and her skills: the stay on the farm includes several workshops, during which guests learn the basics of cheese-making. This adds value to the farm and to the farm activities.

Similarly, the Welsh CSA farmer Gerald Miles emphasised in his interview that the farm tourism that they established at their scenically located farm, helped a great deal to maintain the farming activities.

In Germany, the ideal SoLawi-farm produces 100% of their food for their members, but this ideal is not always a reality. Some farms use other marketing channels (e.g. direct marketing, a market place, wholesale) "side by side". Why does it happen? Because often the income from the SoLawi alone is not enough for the farm workers. Another reason is that these other marketing channels might already have been used by the farm before starting a SoLawi. Often there is loyalty to a marketing channel that has proven to work in the past, for a farm a sign of stability and trust.

One principle of SoLawi is: "Sharing (between farmers and members) the risk and the harvest". But how it is possible, to share it, if for example the SoLawi runs together with market gardening? Perhaps if a pest damages or destroys a crop harvest? Which risk is taken by the SoLawi-Members, which by the farmer and which by the market customer? The next problem is the distribution of the farm expenditures (salary, resources and investments). How much should the SoLawi take and how much should the market operation take? If there are no clear answers provided, the SoLawi members could get suspicious ("we have to eat the rest of what comes back in the evening from the market place"). How can the farms manage these problems? Here are some real examples from farms:

#### Example 1: Big farm with wholesale marketing starts a small SoLawi

The farm produces different kinds of vegetables on a large scale (more than 30 ha). The SoLawi has 30 members. For each individual member, the variety and amount of vegetables they supply equals the average results of other SoLawis in terms of space requirement/harvest/person. The participation fee for a SoLawi member is also calculated by comparison to other farms in the first few years. If later the SoLawi is bigger, a new participation fee will be calculated.

### Example 2: Big farm runs a SoLawi together with sales at the market places/stores

There exists an annual full-cost-plan, the turnover/income from SoLawi and market place/stores are shown separately, all costs are assigned for the respective channels. The participation fee for the SoLawi-members depends on the costs of the market place/store from the last year. 75% of these SoLawi members get their food in the market place/store and there enjoy a high-standard-service. Store customers get the same quality as SoLawi member. If any product has limited availability, only SoLawi members get it, because: "Store customers make *something* possible, SoLawi makes *everything* possible" (quote from the farmer).

### Example 3: Farm starts SoLawi aside of farm store and "box scheme"

Before the farm starts with SoLawi, they developed a full-cost-plan for a 100% SoLawi scenario to get the right participation fee for the SoLawi-members. With this price they start the SoLawi with 50 Members (100 % = 740 members). 100% is the goal and until they reach this number they run the CSA side by side to the other marketing channels like in example 1.

These observations are also a reflection of a deeper trend within our societies: multiplying activities is becoming a necessity for many, as a way to cope with economic difficulties.

### **How to prepare for retirement?**

A topic that is very little discussed and nonetheless so crucial for the financial sustainability of farmers is the question of retirement schemes. Obviously there are different frames in the respective European countries, depending on the legislation.

In Germany many CSAs are including pension contributions for the farmer in the budget, if he/she is self-employed or employed.

In the UK, basically those over 25 years old earning more than £10,000 per year through the payroll will be offered a pension scheme. The company will have to match contributions for eligible persons but not necessarily for those who elect to opt in and this will rise from 1% to 5% of salary over the coming years (for both employee and employer).

From the Romanian CSA network ASAT, it was reported that there is a discussion about wheater social security and participation to a pension fund can be included as costs in the CSA budget cause otherwise the situation is bleak.

## **3.4. Appropriate technology**

### **Farming Tools**

The benefits of small-scale agroecological and organic farming are many, yet this approach requires appropriate machinery and technologies that need a change of paradigm in the way they are conceived, produced, sold and patented. The industrial conventional farming complex, with the goal of mass production, has led to machines that are getting increasingly bigger and more expensive, leading many farmers to choose between autonomy and over-investment, resilience and dependency. Much of the large machinery is also energy and resource intensive and thus unsuitable for sustainable agriculture, and the future of wasted machines is an unexplored topic. Outside of the mainstream market-place and in the informal networks of farmers and farmer organizations, there are a great deal of

innovative farmer-made technologies and machinery that represents an important resource for supporting agroecological farming - they also make farming less capital intensive. In the US and in UK an initiative called Farm Hack (<http://farmhack.org/tools>) and L'Atelier Paysan (<https://www.latelierpaysan.org/English>) in France have shown how innovative, low-cost and purposeful technology can be designed in a common open source way. This open source approach is what Schumacher would call non-violent. L'Atelier Paysan has published a self-build guide, Farm Hack also deals with software. There are more informal approaches in many other European countries. The improvement of technology saves time and can significantly add to financial sustainability in the true sense of the word.

## **Software/IT**

In our current world, long-distant group communication is done mainly by using digital devices. SFS are quite complex entities for which, from a certain size on, digital management tools are becoming very useful. It is important to make use of their knowledge in order to be able to build upon the power of other citizen sovereignty movements so that we can create a transformative movement towards sustainability within society. That's why we advise to use Free and Libre Open Source technology and get your online presence hosted by independent IT-collectives. The "Libre" in this notions means to be able to gain full control and the rights to modify the software. This is the only democratic development that allows for very high adaptability and superior code quality and enables tools to have a global impact.

For small, new SFSs not much digital equipment is necessary. Just install **LibreOffice** for creating spreadsheets and text-documents and **Thunderbird** for keeping control over your email accounts on your computer and you are ready to go. If the SFS becomes bigger and bigger almost everything can still be managed with spreadsheets. Their main disadvantage is that they easily become too complex to be passed on to other people. The interfaces between the different tasks such as membership management, delivery planning or accounting are not that easily mappable within spreadsheets, which is why people began to create dedicated SFS management software.

Keeping track of the money flows is essential for all SFS. Also there are hundreds (yes, really!) of proprietary bookkeeping solutions available, but if newcomers don't have a professional bookkeeper who has access to proprietary software in their community they would do well to make the books in plain spreadsheets. The only free and libre accounting software that is designed in a general way such that it is globally applicable is **GnuCash**. It is very good, but needs some training for the user. Easier, but more regionally-specific are <https://www.bokio.co.uk/> and <https://www.szamlazz.hu> (both free as well).

Very closely connected to the accounting is the member administration for which some SFS use association management tools such as <http://www.jverein.de>. Two more, <https://campai.com> and <https://flomembers.fi> are also great tools in this realm, but not libre. In the extended research we found the new tool <http://galette.eu> which might play a bigger role in future association administration. To be able to digitally work together within groups, heavy use of internet communication is necessary. To not be fully dependent on the internet giants and to remain in control of the SFS data, the use of an independently hosted **nextcloud** instance is highly recommended.

In Europe, several dedicated CSA-tools have emerged out of the direct need of single CSAs or within the context of umbrella CSA organizations. In France alone about five different tools are competing for the attention of the prosumer. Here the main task for the program

is to handle the diverse contracts each member of a AMAP has to cope with. They also allow for the adaptation of the periodic deliveries to the members needs. Most notably are **AMAPj**, a development by Emmanuel Brun for AMAP Bourg Les Valence and **Cagette.net** developed by Alilo, an agency that combines training, digital services and communication for food short circuit projects. In Switzerland out of both competing SFS networks FRACP and RVL/solawi.ch interesting tools have been emerging. The skilled developer Thibaud Guillaume-Gentil from ACP Rage de Vert (Neuchâtel) developed the all-in-one Ruby application **ACP-Admin** that is in daily use in his ACP and Lumière des Champs. A German speaking ACP is currently adapting it to their needs. Within ACPs quite often it is mandatory for members to work on the farm, so keeping track of the dates and the completed workdays is not trivial. Next to ACP-Admin, **juntagrigo**, a development from the RVL Ortoloco (Zurich), shows some great functionality for this requirement with the possibility of earning virtual beans for accomplished work missions. In its newest versions the professionally developed OpenSource Scala application **OpenOliator** (by Swiss software company Tegonal) also implemented such “volunteer” management capabilities. The German association **Sunu** is internationalizing this software in a first step to German circumstances, which has some specialities. The idea is to provide a tool that is applicable to a broad range of local varieties of CSA. Some common functionality of these tools are summarized in the following table:

## Common functionality

Functionality	JA	Sunu	Cagette	OFN	ACP-Admin	AMAPJ
Membership management	x	x	x	x	x	x
Email members	x	x	x	x	x	x
Delivery planning		x	x	x	x	x
Share management	x	x	x		x	x
Variable Orders			x	x		x
Control of payments	x	x	x	x	x	x
SEPA generation		x				
Volunteer Management	x	x			x	

The most complex approach in combining accounting and CSA administration using the ERP (Enterprise Ressource Planning) **dolibarr** is from the French speaking Swiss developer Fred Radeff: <https://gitlab.com/zpartakov/cakeACP/>. In Belgium an association is adapting **odoo** for cooperative needs: <http://coopiteasy.be/>. A future ERP-platform with elaborated community understanding seems to be **ERPNext**. Be cautious: ERPs are complex beasts.

For the foodcoop and foodhub world, with their shop-like appearances, the **OpenFoodNetwork** made quite some waves around the world. Developed in Australia, it is now broadly spread around the UK and is gaining traction in France. It’s main strength is it’s big global community and it’s concentration on communal values. Other local

developments are <https://github.com/foodcoops/foodsoft> from Amsterdam and <https://www.foodcoopshop.com/> from Austria.

See <https://solidbase.info> for details.

## CHAPTER 4 LEARNING METHODOLOGIES

This module is definitely one to be presented to advanced CSA farmers and coordinators, as it tries to answer questions that somebody with some experience would ask.

### **4.1 Input from the questionnaire on experienced and preferred learning methodologies**

The questionnaire included several questions about the respondents' experience and preferences in terms of training on financial issues. Question #84 was about the way the respondents learnt their financial management skills. The results show a high proportion of self-directed learning. When it comes to the learning preferences, there is a clear appeal for farmer-to-farmer exchanges, hands-on training sessions, and visits by experienced advisors (question #86). On the contrary, e-learning, on-line tutorials are obviously less preferred... A mentorship system, with some experienced CSA advisors, would probably be the best way to respond to the lack of training on these issues.

Question #88 read as follows: "*what skills/knowledge related to financial issues are missing in your CSA?*". The answers show that most of the suggested knowledge/skills are not missing. This is positive. Yet, if there are things to improve, they should be found in budget development, formal accounting training and knowledge of tax laws, but also in business plan, marketing, cost estimation...

The results from question #89 ("What additional research questions or subjects related to CSA financial planning would you like to see addressed?") suggest that a specific course about the legal frame, including tax schemes, should be developed. For example, the following point was raised by one of the respondents in Germany: "*The Landwirtschaftliche Berufsgenossenschaft (professional association) does not recognise CSA as a form in its own right, quantifying in terms of the profit-making elements of the business. For example, the day we put up a third polytunnel to enable more winter greens for our existing members, the abstract calculations made by the SVLFG shifted us into a new category that immediately raised our health insurance and pension contributions in the assumption that more profit would be generated by this addition. A legal status for CSA, recognised by tax and insurance, would be a major step forwards!*"

Of course, any legal frame content related to financial sustainability should definitely be generated in each country.

### **4.2 Suggestions for exercises**

1. An interesting exercise could be to compare different templates of finance planning, perhaps from both successful and less successful examples. Another one could be to ask each training participant to prepare her/his own plan.

2. Any training on the topic should include one or several mentors' interventions. By mentor, we mean a CSA farmer (or coordinator, but preferably a farmer) with concrete experience to share on the topic.

3. **Exercise 1:** A brief history of your farm operation: "*Write a brief history describing the important events and decisions in your life and operation. Why did you make the choices you did? What have been the most important outcomes resulting from the interaction of your own choices and external circumstances? What key lessons have you learned? Include*

planning team members in this review. Use whatever time frame (one, five, ten years) best describes why and how you've arrived at your current business situation."

#### 4. Exercise 2: Current Market Assessment

Complete this worksheet for your CSA operation. Be as specific as you can and, where relevant, include numeric facts and figures. These will be the basis for projections you'll make later on for the strategies that you consider.

##### **Product/Service:**

##### **Potential**

- a. Potential Number of Customers
- b. Current Number of Customers
- c. Current Sales Volume
- d. Current Sales per Customer (c / b)
- e. Potential Sales Volume (a x d)

##### **Unique Characteristics**

What are the unique features that distinguish your CSA? For which customer segments are they important? How easily can they be imitated by competitors?

##### **Characteristic 1:**

Appeals to what type of consumers? Easy for competitors to imitate? \_\_\_\_ Yes \_\_\_\_ No

##### **Characteristic 2:**

Appeals to what type of consumers? Easy for competitors to imitate? \_\_\_\_ Yes \_\_\_\_ No

**Distribution:** Describe the current distribution model

##### **Logistics:**

##### **Distribution spots:**

##### **Intermediaries:**

**Distribution Costs (transportation, labor, spoilage, price discounts for intermediaries):**

##### **Pricing**

What price do you receive for this product or service, and how does it compare to the price of a typical competitor? How much power do you have to set the price for this product or service? How sensitive is demand to price changes?

##### **Typical Price and Price Range:**

##### **Price Relative to Competitor:**

**Our Power to Set Prices:** \_\_\_\_ Low \_\_\_\_ Some \_\_\_\_ High

**Demand Sensitivity to Price Changes:** \_\_\_\_ Low \_\_\_\_ Some \_\_\_\_ High

Describe the strategies you use to promote consumer awareness of this product or service. How effective are they in reaching your most important potential customers? How costly are they?

##### **Changing Market Conditions**

Describe important trends of the supply and demand side of the market for this product or service. Are there important new competitors or competing products? Is demand expanding?

#### 5. Exercise 3

##### **Estimating Family Living Expenses and Income Needs**

Use this worksheet as a guide for estimating your annual family living expenses and necessary income contribution from the farm business.

##### **Family Living Expenses (Euros/year)**

Food and meals

Medical care and health insurance

Cash donations

Household supplies  
Clothing  
Personal care  
Child / dependent care  
Gifts  
Education  
Recreation  
Utilities (household share)  
Nonfarm vehicle operating expense  
Household real estate taxes  
Dwelling rent  
Household repairs  
Nonfarm interest  
Life insurance payments  
Other

**Total cash family living expense**

Family living from the farm

**Total family living expenses (a)**

**Other Nonfarm Expenditures**

Income taxes  
Furnishings & appliances  
Nonfarm vehicle purchases  
Nonfarm real estate purchases  
Other nonfarm capital purchases  
Nonfarm savings & investments

**Total other nonfarm expenditures (b)**

**Total cash family living investment & nonfarm capital purchases (c) = (a + b)**

**Nonfarm income (d)**

**Necessary contribution from farm business (net farm income) (c) - (d)**

**4.3 The needs as seen by CSA trainers**

In the course of the writing of the guide exchanges were held regarding the needs of CSA farmers/coordinators for trainings. People with expertise in CSA training from Romania, the Czech Republic, Hungary, Germany and Switzerland were involved. These points came out as important:

- To address the question: What does financial sustainability mean for CSA? When do we plan to be financial sustainable (time horizon)? There are examples in Romania where farmers were disappointed because it sometimes takes time to be financially sustainability with CSA, so it should be clarified that it might not happen quickly. In a recent study among newly installed farmers (part of them CSA farmers), the usual time horizon to be able to live from the farm's production seems to be 5 years.

- To include exercises to identify the main costs of the production, as well as to understand the cash-flow of the production and to propose a subscription payment scheme in accordance with the producer's cash flow needs.
- Farmers are generally interested to get help and to do this properly, so it is important to address the structure of the farm (which parts/operations are included in the CSA, how do they work?). Data is often not complete. Furthermore, the investment side is often not acknowledged.
- Farmers are often not aware of the value what they do, they are shy, they don't say what they really need, and so we have to help to communicate what they need. We need to create transparency, help everyone involved in the CSA management to look at the bigger picture. Part of the training should encourage farmers to be more open about their issues, to be involved in networks and exchanges.
- In order to achieve this, concrete examples (good and bad) and tools should be presented for inspiration through these trainings.
- It is an important point to acknowledge that farmers have little or no time. There is the farm work and on top of that the bureaucracy.
- The time of the trainings is important, obviously the spring and summer are very busy. Winter works best, if farmers are to be involved.



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